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Daily Report

East Europe

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Albania: Powerful Explosion Blasts Tirana Supermarket

AU2602113796 Tirana ATA in English 1006 GMT 26 Feb 96

[Report by Fatos Vladi]

[FBIS Transcribed Text] Tirana, FEB 26 (ATA) - A powerful explosion blasted today in a VEFA supermarket in central Tirana at about 9.15 hrs. Right after the blast which occurred inside the supermarket and caused the destruction of the front part of the supermarket, glasses in the nine storied building in which the supermarket is, were broken and the interior of the market was ablaze.

There are no reports by the public order police for the cause of the explosion. Police came soon in assistance of the injured. Still no comment for victims. While flames of fire continued in the supermarket, some storekeepers, with their bloody faces, told people on the street that some of their friends were still inside. One of the storekeepers, still shaken by the blast, told ATA: "I could escape because I was in the second floor, but there are still people inside." Police forces, ambulances and fire engines are on the scene.

Albania: One Dead, 14 Injured in Supermarket Explosion

AU2602114596 Tirana ATA in English 1046 GMT 26 Feb 96

[FBIS Transcribed Text] Tirana, Feb 26 (ATA) — One dead and 14 injured was the toll of today's explosion in a VEFA supermarket in central Tirana. President of Albania Sali Berisha went in the scene. He also was to see the injured in the civil hospital in Tirana. Along with Berisha, who is also a cardiologist, had come representatives of the Government.

The blast occurred at 9.15 hrs and fire flames appeared right after in the supermarket interior. The explosion destroyed the front part of the supermarket and broke glasses in the nine-storied building on the supermarket.

Albania: Democratic Alliance Leaders Part of 'Red Front'

AU2602131796 Tirana RILINDJA DEMOKRATIKE 24 Feb 96 p 3

[Article by Mentor Shehu: "The Days of the Secret Police Are Numbered"]

[FBIS Translated Text] "The bad days are coming to and end," writes Prec Zogaj in ALEANCA of 23 February, concluding the phrase with three dots of optimism, while considering it early to put a period. Looking at the political moves of Zogaj, Ceka, and Imami in the last five years and especially the continual and catastrophic degradation of their party, we can say that there is every justification for rejoicing at the end of the bad days. These people are bringing to an end the years of splendid isolation of their phantom-party, and are taking shelter under the wing of their former patrons whom they have abjectly served. Because of their association in crime, they still today devotedly serve these patrons in order to strike against Albanian democracy and to restore to power the incriminated culprits of genocide. Zogaj and his friends are members of the "red front," and why should we not call it the "Khmer Rouge," because, as Dritero Agolli said, it is hard to understand how the Khmer Rouge will act, because they heed neither parliament nor president. Ruci has chosen Ceka, Zogaj, and Imami for his second front of the Albanian Khmer Rouge, because for five years they have specialized in extreme opposition to the president.

"What are the differences between the Socialist Party [PS] and the Democratic Alliance [AD]?" wonders Zogaj, and replies that the PS was forced into opposition by a free vote. Meanwhile, the truth about the move into opposition of Zogaj, Ceka, and Imami is that in the positions where they were in the Democratic Party [PD] they could not perform their mission against the PD and against democracy, and they were soon denounced as collaborators of Ramiz Alia. It was Ramiz Alia, or a new patron to whom he handed over the files of the guilty together with the Sigurimi network, who gave orders for them to demonstratively leave the PD and to found an opposition party to fight alongside the PS against the fledgling Albanian democracy. Now, with the formation of the notorious red front, their cooperation with the PS is open. The most recent confirmation of this alliance is in Zogaj's statement that "It is better to screen (does he mean flirt with?) the Socialists of 1990 than the members of the National Front of 1944." Thus a club of chattering strikebreakers has joined the band of red criminals in order to gain a foothold in power, This most recent move has no doubt worried those members who left the PD because of some minor dissatisfaction and who now, one after another, realizing the great deception that has been perpetrated on them, are dissociating themselves from their leaders. Zogaj, Ceka, and Imami have nothing left to do but calculate how much time they have left in politics, because the days of the secret police are numbered.

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Albania: Gjinushi Reports to Social Democrats' Congress

AU2602131396 Tirana KOHA JONE in Albanian 24 Feb 96 p 3

[Report by Enton Abdilekaj: "Social Democratic Party: The Democratic Party Will Win the Polls, We Will Win the Elections"]

[FBIS Translated Text] The 560 delegates attending the Second Congress of the Social Democratic Party [PSD] yesterday attracted the attention of all the major Albanian and European political parties. The independent trade unions and the veterans' associations were also present and greeted the congress before the diplomatic corps, including doyen Gheorghe Miku and U.S. Ambassador Joseph Lake, took their seats. "Five years ago, on 23 February 1991, a group of intellectuals decided to form the Social Democratic Party," said Gaqo Apostoli, presenting the PSD "manifesto." "The formation of the PSD was announced at a magnificent rally on 24 April 1991," he continued, outlining in brief the history of the party, which "has been severely attacked by the government after leaving the coalition with the Democratic Party [PD] in 1994." The PSD general secretary called for one minute's silence for Social Democrats that are no longer with us, including Willy Brandt, John Smith, Yitzaq Rabin, and several members of his own party.

Skender Gjinushi's long report then summarized the entire period since the elections of 22 March 1992. The party chairman called the party's standpoints perfect. "The PD-PSD-Republican Party coalition, which won more than 70 percent of the votes, was not united only in the struggle against communism, but on the basis of its manifestos," he said, evoking a time four years ago. "The support we gave to the PD in the general and local elections turned us into the third-largest party," he continued. However, the PD's indifferent attitude to the presence of the PSD in the government forced the left-of-center to leave the coalition. "In fact this happened in February 1994," the PSD chairman said.

Gjinushi spoke at length about the economic reforms conducted by the PD, contrasting them with his party's alternatives. For the PSD leader, "total privatization is a super-right-wing concept of the PD zealots." He came out in favor of a mixed economy with private and public sectors, with priority given to the former. "We favor corrections to the Land Law," Gjinushi said, citing objections to the law passed by parliament in 1991. He proposed agrarian reform as the best solution, which would eliminate large landowners but would not affect small and medium-scale landowners. Opposing the present government's investment policy, the PSD leader promised that this was the first problem that his party would solve when it came to power. Gjinushi made use of Article 24/1 to demonstrate the "discrimination" against the intelligentsia. "This article has trampled the intelligentsia underfoot," he said, and said that by revoking it the PD is preparing itself to become the opposition. "The PD knows that it will lose, and is right for the first time in this," Gjinushi said. He denounced discrimination against those living on pensions, a fair proportion of whom are young in years. "A pensioners' youth forum might be created in Albania today," Gjinushi mocked.

The struggle against corruption "in the government" took up a major part of his speech. Gjinushi spoke of the necessity of a national program for a fair solution of the Albanian question. "Let the PD win the opinion polls, while we win the elections," the PSD leader concluded, surrendering the floor to guests greeting the congress. The main greetings from foreign parties came from the Italian Social Democratic Party, the Spanish Workers Party [name as published], the social democratic parties of Germany, Austria, the Czech Republic, Sweden, Thailand, Slovenia, and Denmark; the Pan-Hellenic Socialist Movement, the French Socialist Party, the Romanian Democratic Party, and the Labor Party of Malta. The greeting from German Social Democratic Chairman La Fontaine, who hoped for "a Social-Democratic Albania" after the elections, drew the greatest enthusiasm. The Kosova Democratic League also sent greetings to the PSD, joining the greetings personally delivered by Ceka, Melo, Godo, and Dokle, as well as Pepa of the PD. PD deputy Pepa recalled the four years of collaboration with the PSD in the struggle against communism. "I hope that the Social Democrats will contribute again today to consolidating democracy and averting dictatorship," Pepa said.

Closing his speech, he peremptorily demanded that the PSD should not forge an alliance with the Socialist Party [PS], and said "I would consider to be treason a coalition with the extreme left, who might soon answer before justice for the events of 20 February and 2 April [deaths of anticommunist demonstrators in 1991]." Pepa was thus the third PD member to threaten Nano and Ruci. Perhaps the state has indeed been planning their arrest, as has been rumored. The greeting of the Republican Party's chairman was kindly, while those of the Democratic Alliance [AD] and the Human Rights Union totally confirmed the creation of a "pole of the center." "I greet the PSD as our most likely future ally," Ceka said, later saying that he had found all the key elements of the AD's program in Gjinushi's report. While Ceka was very diplomatic in unveiling any secret alliance, Melo showed no such reserve. "There is an opportunity for a political group in the center," Melo

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said, and concluded, "this pole will be a consistent and credible force." Melo explained that his party has so far been reserved in confirming its cooperation with the "Center Pole" or "super-pole." It seems that the three main protagonists of the group chose the PSD Congress to finally speak out explicitly. The "Center Pole" now exists, and the three parties did not mention the PS. Dokle did not talk about an alliance with the PSD. He spoke only about the need to improve the country's institutions, "and the number-one institution is the number-one priority," the PS deputy chairman said.

Albania: Muslim Leader Denounces 'Religious Sects'

AU2202100996 Tirana KOHA JONE in Albanian 21 Feb 96 p 2

[Report by Sokol Balla: "Sabri Koci Attacks Religious Sects: 'They Want To Destroy Our Unity'"]

[FBIS Translated Text] Tirana — "We are tolerant, but this does not mean that we can allow dozens of religious sects to invade Albania. They are attempting to divide us Albanians." This time, Haxhi Hafiz Sabri Koci reacted strongly and bitterly to the religious sects operating in our country. This anxiety is not a new one, and the first statements by religious and indeed other personalities date back some years. This time, the concern has assumed a serious and official form, because it has been voiced by the leading figure of Islam in Albania, the numerically dominant religion in our country. The celebration of Bayram and the end of the month of Ramadan provided the Islamic leader with an opportunity not only to remind Albanians to strengthen their faith in Allah, but to issue an appeal for the preservation of the values of the Albanians, values transmitted down the centuries "also with the help of the Islamic faith." Before thousands of Muslims who, yesterday at midday, turned the hall of the Palace of Culture into a mosque of prayer, and who included many prominent believers such as Azem Hajdari, Tomorr Malasi, and Shaban Memia, Koci also did not omit a political message. After once again attacking communism, he appealed to Albanians to use their votes wisely and "to give them to Albania's finest sons." This was the moment when the leader of Islam in Albania put an end to his hesitation and several years of silence over a problem that has long concerned the public and the press — that of religious sects, mainly Christian, whose number, according to government sources, now exceeds 100. "Islam is tolerant. We appeal to you to believe in Allah, but we do not compel anybody to follow us," Koci asserted, "and unity is sacred to Muslims. We must therefore preserve and strengthen the unity of Albanians." According to Koci, this unity is being eroded by the religious sects that have flooded Albania in the last five years. Koci was no doubt referring to those enigmatic, mysterious, and dubious religious splinter-groups, often unknown even in their countries of origin, whose unheard-of and often tendentious names cast doubt on the genuineness of their faith and raise questions of a possible danger to society. What was new in his statement yesterday was that Haxhi Hafiz Sabri Koci, for the first time, bitterly and publicly attacked the mysterious rituals of religious sects and groups that are often broadcast even on television.

Albania: Law Creating Tax-Free Zones Passed

AU2002135196 Tirana KOHA JONE in Albanian 16 Feb 96 p 6

[Unattributed report: "Tax-Free Towns Born in Albania"]

[FBIS Translated Text] Tirana — Tax-free zones in Albania have received a "yes." The People's Assembly yesterday approved the law on creating free trading zones in Albania in order to encourage foreign investments and new technology. These zones will be created at the main ports, international transit points, airports, border crossing points, and areas rich in mineral ores. "We want to create a favorable climate for foreign investors," said Selami Xhepa, director of the Albanian Center for the Promotion of Investment [Qendra Shqiptare per Nxitjen e Investimit]. The law, approved by the government a few weeks ago and whose aim is to introduce foreign technology into Albania and to improve the infrastructure, was first proposed by former president Ramiz Alia. However, Alia's idea which envisaged Vlore, Shkoder, and Kavaje as the first tax-free towns had not until now been acted upon.

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Czech Republic: Havel on Elections, FRY, Health

LD2502155896 Prague Radiozurnal Radio Network in Czech 1315 GMT 25 Feb 96

[Interview with Czech President Vaclav Havel by Zuzana Vakrckova in Prague on 25 February—recorded; from the "Conversations at Lany" program]

[FBIS Translated Excerpt] [Passage omitted] [Zuzana Vakrckova] The election campaign is coming closer. It is perhaps now that we should stop and reflect on the concept of political culture. What should the election manifestos of individual parties look like?

[Havel] First of all, I believe that the election campaign should be positive in that politicians should clearly explain their manifestos and ideas. They should present in a positive way their projects by which they differ from the others, and they should not attack one another. [passage omitted]

[Zuzana Vakrckova] [Passage omitted] What are your feelings about current events in the countries of the former Yugoslavia?

[Havel] I have to admit that, in spite of all the complications, I am optimistic. We all knew that the signing of the Dayton agreements would not guarantee peace or harmonious coexistence in the country automatically and forever. We knew that it was going to be a complex process, which it is indeed.

It seems to me that the results so far are relatively good. We do not know of any instances where the Dayton agreements are violated by, for example, through a clear military confrontation or anything alike. Of course, there are and there will be a number of problems. However, it seems to me that, for the time being, developments are heading in the right direction.

Incidents such as, for example, the mass exodus of Serb inhabitants from the Serb districts of Sarajevo are matters that I would not consider as proof of the Dayton agreements being bad. This exodus is a phenomenon that has its understandable causes. To understand the psychological reasons leading to it, we have to know who was moved into these districts by Karadzic's regime and what the things were that those people were forced to do.

On the whole, I am a sober, realistic optimist.

[Zuzana Vakrckova] [Passage omitted] You underwent a medical intervention recently. How do you feel now, and what is your agenda for the next few days and months?

[Havel] [Passage omitted] I feel fine and I shall be back in my office on 26 February. [passage omitted] In the afternoon of 12 March I am to give a major speech in parliament. There is an agreement between parliament and me that I am to make a keynote speech in the parliament every year in March or at a similar time.

I am to go on a trip to the three Baltic states, and then I shall go to Aachen, where I am to address the Europeans in a keynote speech on European integration processes. [passage omitted]

Czech Republic: Comment: Status Related to Superpowers

AU2502155296 Prague LIDOVE NOVINY in Czech 22 Feb 96 p 2

[Commentary by B. Pecinka: "A Small State and Strategic Interests"]

[FBIS Translated Text] President Vaclav Havel spoke with unusual force in Sunday's [18 February] Conversations From Lany. He warned against the foreign policy concept for Czech neutrality that some left-wing parties are promoting and referred to the significance of the June presidential elections in Russia. He said that voices and opinions are being raised more and more within the Russian leadership that emphasize "... one's own weight, one's own importance, some kind of claims to spheres of eventual interest." He pointed out that, during his visit to Prague in the fall of 1993, President Boris Yeltsin had no objections to the entry of the Czech Republic [CR] into NATO. A day later, however, the Russian president refuted this opinion (how many times already?) by stating that he would not sanction the entry into the North Atlantic Alliance of the Central European countries. His statement was accompanied by a flowing gesture and the comment that he knows what NATO means.

The Russian leadership likes to shield its power interests behind what President Havel called "a sphere of eventual possible threat." Where these spheres begin and end will, understandably, be determined by the Russians themselves. But they would not be themselves if they did not justify their expansion attempts more majestically. "The ideological conflicts between West and East are being replaced by rivalry over spheres of influence in geopolitics," commented the Russian president himself some time ago. So, geopolitics—a word we hear constantly from the lips of Russian generals and government and opposition politicians. It is as if the branch of study that, since the end of the last century, has been looking into the relationship between politics and a region has, following the collapse of the communist utopia, been elevated to an official ideology in Russia. Just take a look at a favorite phrase used today and every day in all kinds of variations: "From the point of view of

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geopolitics, the logic of Russian national (vital) interests requires..." The notion is thus created of the existence of supraindividual vital interests for the state, interests that have to be implemented—for example, with regard to Central Europe—with the iron necessity of natural laws. It seems that, in the vocabulary of politicians and generals, geopolitics has merely replaced Marx's historical materialism, which, with the same supraindividual assurance, "unveiled" the inevitability of social development. In fact, the issue on the Russian side, even today, involves nothing other than an ideological justification for the expansiveness with which the Russian leadership is trying momentarily to overcome the Russian state's identity crisis. It also involves its citizens' feelings of bitterness about the loss of its superpower status and the proud notion of historical exclusiveness.

Voices are being raised in our country: Why does the United States not put an end to this and take us into NATO? Why does everyone just make concessions to Russia? Is another Munich in the foreseeable future? To put it simply, politics has two levels—domestic and foreign. For many reasons (size, number of inhabitants, its long existence in the Austrian federation, provincialism), being wrapped up in domestic policy is typical of Czech politics, and global thinking is rather alien to us. Of course, the United States does not agree with the statements made by Russian politicians about the entry of the Central European states into NATO, but, equally self-evidently, it is not adopting a confrontational approach to Russia. The self-evidence consists of the fact that, strategically, the Russian Federation is viewed as an ally of the United States. This is for several reasons. First of all, Russia is the largest country in the world, a country that has virtually 50 percent of this planet's nuclear warheads on its territory. Therefore, the United States, even at the cost of the firing at parliament and the massacring of the civilian population, will support the Russian leadership merely in order to forestall chaos and civil war. It is clear to U.S. strategists that the conflict between East and West, totalitarianism and democracy, has been overcome. The source of future global conflicts will more likely be along the North-South axis and may, for example, be manifested by mass migration from the poorer parts of the South to the North. The objective of the West, undoubtedly, is to turn Russia into a link in the chain of the North's wealthier countries. A conflict of civilizations—for example, the Christian world with China, the Muslims, and so on—may be another focal point for future catastrophes. The Russians in their position as a Eurasian power on the fault line of several worlds could be worthwhile strategic allies. Whether this is an illusion or not is another matter. It is obvious that disputes among the Central European countries about entry into NATO are, from this point of view, peripheral.

In reply to a skeptical question on whether the policy of a small state stands any chance at all in the clash of power interests, we have to say that it does—but it has to be united and firm in promoting its state interests. In domestic politics, this means a government of reliable political representation, political stability, economic prosperity, and interlinking with Western countries and institutions in strategic spheres. In foreign policy, it means preventing the Russian dream in the form of a "Yalta II," a dream in which the countries of Central Europe would have guaranteed neutrality from the powers. Incidentally, Foreign Minister Zieleniec expressed this clearly in LIDOVE NOVINY recently: "The main principles of our eastern policy are: We would also like good and intensive relations in the East, but we want to forge them as a firm part of the West. Our policy cannot put up with the game about where the Czech Republic belongs in the geopolitical sense."

Czech Republic: Russian Intelligence 'Active' in CR

LD2502211496 Bratislava VTV Television in Slovak 1830 GMT 25 Feb 96

[FBIS Translated Text] Jana Sula, the former director of the Economic Counterintelligence Department of the Czech Interior Ministry, confirmed today that agents of the Russian intelligence services were active on Czech territory. He said that the intelligence activity of the Russian agents in the Czech Republic might be linked to Russia's attitude toward the enlargement of the European Union and NATO. According to Sula, Russia is so untrustworthy that it is possible to envisage its using any means to assert its interests.

Czech Republic: Decision on Air Force Modernization

AU2602132196 Prague MLADA FRONTA DNES in Czech 22 Feb 96 p 2

[Article by "(gag)": "The Government Will Discuss the Air Force After Holan's Visit to the United States"]

[FBIS Translated Text] The government would like to decide on reequipping the Air Force during the year. However, security experts point out that, in view of the critical technical state of the military aircraft, the Cabinet should make its decision on the biggest investment in the Army's history as soon as possible.

Defense Minister Vilem Holan submitted a recommendation from the Czech-U.S. Commission of Experts to the government at the beginning of February. However, Holan's adviser, Ales Dolezal, does not envisage that

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a decision on the modernization of the Air Force will be made before Holan's scheduled visit to the United States, where the minister will meet his counterpart William Perry. It is apparent from a so far unpublished document drafted by the commission that the experts are most inclined toward leasing seven of the older supersonic F-16A fighters. After they have been tested, the requisite number of the already upgraded version of this aircraft should be purchased.

Minister Holan has said that, if the government also endorses this option, the Army will not get by without short-term support consisting of an advantageous price, a payment schedule, or assistance in pilot training.

Strategists acknowledge that, in the next five years, the Republic will not be at risk from an attack in which the main burden of defense operations would lie with the Air Force. They add, however, that, unless the government decides on the Air Force's modernization in the near future, the Air Force will find itself in a personnel and technical crisis next year. In the opinion of a senior Air Force officer, the majority of quality pilots would evidently depart for the reserves. Not even the delivery of subsonic L-159 ground-attack aircraft equipped with state-of-the-art avionics, expected in 1998, would be able to prevent the Air Force's collapse. "The remaining pilots, without experience in working with advanced electronics, would make only minimum use of this aircraft's possibilities—they simply would not know how to," claims an Air Force officer.

Czech Republic: Cooperation Agreement Signed With Slovenia

LD2602131896

[FBIS Summary] Prague Radiozurnal Radio Network in Czech at 1100 GMT on 26 February broadcasts a report on the intergovernmental agreements signed between the Czech Republic and Slovenia today on veterinary and phyto-quarantine cooperation.

In a recorded interview broadcast during the program, Josef Lux, Czech deputy prime minister and minister of agriculture, says that the objective of the agreements is to do away with existing trade barriers and to avoid any new barriers resulting from veterinary and phyto-quarantine regulations. The minister also says that the current value of agricultural trade turnover with Slovenia is only about $20 million, but this trade is important because in the future more trade transactions will benefit from advantageous trading under CEFTA [Central European Free Trade Association]. He adds that 75 percent of agricultural trade is still being carried on outside CEFTA regulations.

The interview concludes with the minister saying that Czech producers could aim at exporting more malt, sugar, dried milk, or meat products, while more fruit and wine could be imported from Slovenia.

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Slovakia: Kovac Jr Interviewed on Return Home

LD2402000096 Bratislava STV 1 Television Network in Slovak 2139 GMT 23 Feb 96

[FBIS Translated Excerpt] Michal Kovac Jr returned to Slovakia today following a decision by the Vienna Higher Regional Court to reject an extradition application by the German Prosecutor's Office and release him.

[Begin recording] [Unidentified correspondent] Mr. Kovac, you have just returned home after more than six months. What steps are you going to take in the near future, what are you going to do in the next few days?

[Kovac] In the next few days, I will try to return to normal, to sort myself out and then do all I can in order to ensure that the Technopol case is closed once and for all.

[Correspondent] Do you not fear for your security? What I mean is whether you will take the opportunity, open to you because you are a direct relative of a state official, to ask for protection.

[Kovac] Yes, I will ask for protection in the initial period because my feelings on returning home will be associated with all that has happened. I will accept protection until I feel absolutely safe.

[Correspondent] Your legal representative told me two days ago that either German investigators will interrogate you here in Slovakia or you will travel as a free citizen to Germany to testify there. What option will you choose?

[Kovac] I will take the advice of my legal representatives. From my personal point of view, traveling to Munich and putting an end to the matter seems to be a more suitable option.

[Correspondent] When do you intend to do so?

[Kovac] It is naturally necessary to agree to this with the German investigation bodies first. [passage omitted]

[Correspondent] Your kidnapping has now been investigated for more than five months. Do you think that by being in Slovakia you can help to speed up the investigation?

[Kovac] It is difficult for me to say. I think I can, although my testimony is already in fact widely known, and I can hardly bring much new information to it.

[Correspondent] Could you identify those who kidnapped you?

[Kovac] I would prefer not to answer that question because it is the subject of investigation. [passage omitted] [end recording]

Slovakia: Vienna Verdict Seen as 'Demarche' to Cabinet

AU2302212096 Bratislava NARODNA OBRODA in Slovak 22 Feb 96 p 3

[Commentary by Jan Fule: "Austrian Court's Demarche"]

[FBIS Translated Text] A few days ago, Prime Minister Vladimir Meciar let us know through his spokeswoman that he would no longer make any statements on the case of Michal Kovac Jr.'s abduction to Austria. This is a wise decision. It is only a pity that it did not come before the not exactly most fortunate statements on the case made by Meciar at the press conference held with [Austrian Chancellor] Franz Vranitzky [on 14 February].

It is never too late, however.

In the wake of the verdict by the Higher Provincial Court in Vienna, we have witnessed in Slovakia several strong, needless, and even offended reactions. It cannot be considered a usual procedure for any ministry of foreign affairs to hand over a note to another country on the basis of what it has learned from a news agency report.

Colonel Lieutenant J. Kostov, LL.D., director of the [Slovak Police Corps'] Section for Investigations and Criminal Expert Analysis, voiced the conviction that "the return of M.K. Jr. to his home country will expedite the investigations, first and foremost, because it will be possible to carry out further establishment of evidence in his presence." It is a pity he did not express this view at a time when the Slovak Ministry of Foreign Affairs did everything possible to explain why it could not ask for the extradition of a Slovak citizen forcefully abducted abroad.

"It is the verdict of the democratic court of an independent state, and, as such, it must be taken with all due seriousness," said Michal Valo, prosecutor general of the Slovak Republic. And, indeed, this is all that should be said with regard to the Austrian court verdict. These words do not contain any extra work (in contrast to the Foreign Ministry' s statement), and there is not a trace of hypocrisy in them (present in Col. Lt. Kostov's statement).

Right now, it is precisely those who are willing to do extra work and those who behave hypocritically who are called upon to act. The Slovak Republic and its representatives could assume the same stand they did after the [EU and U.S.] demarches [of October 1995]. That is, in the phase of obfuscating the problem, they could start debates about whether it was a demarche

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and about whether countries where governments change more frequently than in Slovakia have the right to send us anything. Later, they could refer to the high crime rate beyond our borders, and, ultimately, everything could fall into oblivion by launching a new problem.

Right now, hypocrisy means, above all, inaction. According to a public opinion poll conducted by the FOCUS agency, only 18 percent of respondents do not believe that the secret service was not involved in the abduction of the son of the president of the Republic [sentence as published]. The Austrian court did not lend credence to this, either.

It seems that among that 18 percent of the population rank also two of the three best-informed people in the country—the prime minister and the chairman of parliament. Under the law on the Slovak Information Service [SIS], the two and the president of the Republic have the right to solicit information on the activity of the secret service from its director. However, Michal Kovac has publicly accused the secret service of having kidnapped his son. Vladimir Meciar and Ivan Gasparovic either really avail themselves of facts that rule out the possibility of involvement by the SIS, or—and this possibility would be the worst—they do not avail themselves of any information. The third possibility is that the president is shooting from the hip. All three possibilities can spell the end of the political careers of the officials in question. Even in Slovakia.

Regardless of what happened in the Technopol affair.

[The implications of the Austrian court verdict are also the subject of a 400-word editorial commentary by Jan Fule entitled "Everyone Against SIS" in Bratislava NARODNA OBRODA in Slovak on 21 February on page 1. Fule believes that, following the verdict, "the kidnapping of the son of the Slovak president will be cleared up under Vladimir Meciar's government. This is, above all, in his interest. A 'zero option' is no longer viable in this case. In addition to domestic successes, a prime minister needs international recognition. And who will shake the hands of a prime minister and chairman of the State Defense Council if there is even the slightest suspicion that 'his' secret service participated in the kidnapping of the president's son, when even the president and an Austrian judge talk openly about it?"]

Slovakia: Evidence Mounts Against SIS in Kovac Jr Case

AU2302150196 Vienna DER STANDARD in German 23 Feb 96 p 3

[Report by Julius Strauss in Bratislava: "Circumstantial Evidence Against Intelligence Service SIS Increases"]

[FBIS Translated Text] The circumstantial evidence that the Slovak intelligence service SIS (Slovak Information Service) was responsible for the kidnapping of the president's son, Michal Kovac Jr., is increasing. DER STANDARD has found out the license numbers of two cars that were used for the surveillance of Michal Kovac Jr. before his abduction. They were a Ford Mondeo with the number BLD 4295 and a BMW 320 with the number BLH 0227. Two Slovak citizens, Peter Halenkovic and Robert Krizan, testify to this.

Independently of the two witnesses, this information was confirmed by SIS agent Oskar Fegyveres, who was involved in the kidnapping. Fegyveres stated this before the Austrian police.

Secret Slovak files that DER STANDARD was able to examine prove that the driver of the Ford Mondeo, Jiri Novotny, belongs to the intelligence service SIS. During Novotny's interrogation by the police, SIS Chief Ivan Lexa personally wrote to the investigating authorities that Novotny is an SIS employee. The police should return his confiscated service equipment and his service weapon.

According to police officers who are conducing investigations in the kidnapping case and want to remain anonymous, the operation was planned by a group around Ivan Lexa and high-ranking intelligence service officer Jaroslav Svechota: "Svechota was the brain behind the action."

Svechota also advocated that SIS agent Milan Lovich get permission to stay at the Slovak-Austrian border on the day of the kidnapping. Reportedly, Lovich had the task of making it easier for the car with the kidnapped son of the president to get across the border. Lovich originally wanted to testify to that to get amnesty, but later he withdrew his statement and is today a high-ranking SIS officer.

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According to the investigating officers, Ivan Lexa and head of government Vladimir Meciar talked with each other on the telephone 11 times on the day of the kidnaping. It is virtually impossible that the kidnapping was carried out without his knowledge, it was stated.

Slovakia: Meciar Gives Regular Friday Interview

LD2402002096 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1737 GMT 23 Feb 96

[Regular Friday interview with Slovak Prime Minister Vladimir Meciar by Pavol Sveton; place and date not given—live or recorded]

[FBIS Translated Excerpt] [Sveton] Prime Minister, let me open our interview with a question that continues to be asked in political and economic circles—the question about the privatization of our banking sector. [passage omitted]

[Meciar] The law on powers has transferred the right to decide to the National Property Fund, and this right could be transferred to other bodies only by a new law. [passage omitted]

As I have already said, this matter will be decided by the end of this month. A few days ago the government political parties reached an agreement on the method of their privatization. Thus, the principal question of how is now behind us. We are currently facing the question of who. We will be discussing the selection of entities in order to link the banking market to the capital market and to guarantee people's savings.

A mere discussion in parliament would not bring any result. At present this issue is more a technical than a political one. [passage omitted]

[Sveton] Provided the privatization of the banking sector results in improving the state of the banking sector and the state of the Slovak economy, it would quickly lead, according to Deputy Prime Minister Sergej Kozlik, to a boom in foreign investment during the so-called third wave of privatization. What is your government's view on its possible impact on our economic and social sphere?

[Meciar] [Passage omitted] There are financial resources available to our banks for granting loans to companies, but long-term resources are lacking—that is, resources for low-interest loans to be paid off in five to 10 years. To develop our investments structure fully we need sufficient resources of cheap money. Foreign competitors present in Slovakia in many cases meet these conditions. This means that such competition creates pressure on Slovak banks to change their attitude. [passage omitted] This year the government will intervene in banks' restructuralization process, as approved by the budget. The government is preparing investment projects where the back flow is guaranteed; one of the causes of banks' problems is that pre-1989 loans are not being repaid—for instance, the Investment Bank [Investicna a rozvojova banka] and the Mochovce nuclear power station. [passage omitted]

[Sveton] The Confederation of Trade Unions [KOZ] held a congress last week. The congress recommended against signing the [1996] general agreement yet. According to KOZ Vice President Vaclav Stevko, the trade unionists and the government officials did not come to a full agreement because the ideas that should provide guarantees of welfare and wages, at least at the level achieved in 1995, are not being accepted. Is it feasible to expect that a suitable comprise will be found?

[Meciar] No agreements on economic and social policy were concluded before the budget was approved. After the budget was approved, the situation changed. The basic indicators of macroeconomic development have been defined, including inflation at the rate of 6-8 percent. The median value is 7 percent. Everything is based on this 7 percent value, be it increases in wages, social benefits, or other social measures to be adopted by the government.

The unions are asking now, after everything has been based on the 7-percent limit of the rate of inflation, to cut the latter down to 6 percent. [passage omitted]

We keep telling the unions that we have agreed on the 7 percent figure. This level of inflation has been stipulated to us by law, and we cannot exceed it. [passage omitted]

If we were to accept the unions' demands, we would have to change the whole policy. However, it is the end of February already, two months of the year are over. It is no longer possible to change the whole policy because that would have an impact on other spheres. [passage omitted]

[Sveton] The government has approved a proposal to appoint Minister Olga Keltosova as Slovakia's UN ambassador extraordinary and plenipotentiary. Under the circumstances, could her ministerial post be considered as appropriate for, let us say, the Party of the Democratic Left [SDL], provided the latter happens to join the coalition?

[Meciar] [Passage omitted] It is important to fill the post, particularly in view of the fact that Slovakia has a chance next year to chair the UN Security Council. That would be a an enormous honor. Minister Keltosova was one of the pillars of the government. I found it very difficult to make the proposal. In fact, I had to fight an

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almost nine-month-long struggle with myself to do so. I would rather she stayed at home. However, we do not know of anyone else who would be capable of getting prepared for and mastering this job.

The issue of the SDL joining the government has from the very beginning been considered by us to be an open issue. We kept saying yes, we may agree on this. I do not think, though, that the SDL is serious about it. [passage omitted]

Slovakia has a functional government and a functional coalition. If someone wants to join it, he or she must find ways that strengthen trust and do not create doubts. The SDL has not yet managed to do so.

[Sveton] Historians met in Bratislava this week at a conference on relations between the Slovaks, Czechs, and Germans. In this context, Slovak-German relations were discussed. What is their current level and what are their prospects?

[Meciar] My recent meeting with Mr. Kinkel, the German vice chancellor, confirmed that both sides are interested in developing bilateral relations and that at present there are no serious problems between us. Germany is interested in advocating our membership in the North Atlantic structures, we have much unused economic potential, and there are resources to develop our cooperation in a number of spheres.

As regards psychological aspects and the attitude toward Germany, Slovakia is one of the few European countries in which no bias exists against the Germans. We also have to take into account some historical facts that are for instance currently causing very serious problems to our neighbors in the Czech Republic because things are being presented for discussion in an extremely strong manner. We have declared several times that we are prepared to discuss issues of the past, but so far the German side has not shown a willingness to discuss them. We will wait until they solve their problem with the Czech Republic, and we assume that it will be subsequently tackled also in the case of Slovakia.

We are also interested in the issue of compensation for victims of World War II and Fascism. Germany has already found a way to solve this problem in other states, but not so far in Slovakia. Despite the fact that I highlighted this issue several times during my last visit and also during unofficial talks, this matter has been postponed—but we are not giving up.

Slovakia: Suppression of Civic Rights Alarms MOS

LD2402185796 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1700 GMT 24 Feb 96

[FBIS Translated Text] The national council of the Hungarian Civic Party [MOS] held a session in Bratislava on 24 February. It adopted a declaration on the current political situation that expresses considerable alarm over the continuing deliberate dismantling of civic society by the government in power. They see this taking place through the prevention of public control of the authorities, through the suppression of fundamental human rights and freedoms by a majority vote, and through doubt on the independence of the judiciary and press.

The MOS statement continues that, in a situation in which the intelligence service is suspected of participating in illegal activities, it is the duty of the prime minister and his government to dismiss the director of the Slovak Intelligence Service, unless he submits his resignation. This is their duty, considering the interests of state security and in order to preserve citizens' trust in state bodies and their respect of these bodies.

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Hungary: Coalition Nominates Medgyessy as Finance Minister

LD2602132596 Budapest Kossuth Radio Network in Hungarian 1200 GMT 26 Feb 96

[FBIS Translated Text] Peter Medgyessy is the nominee of the coalition parties for the post of finance minister. First the presidium of the senior coalition party — the Hungarian Socialist Party [MSzP] — endorsed the nomination of the chairman and director-general of the Hungarian Investment and Development Bank, then the Alliance of Free Democrats [SzDSz] announced that it supported the MSzP proposal.

The MSzP presidium asked Medgyessy not to surprise the party leadership with packages without advance coordination. The SzDSz is of the view that the bank chief is suitable for carrying out the tasks of finance minister and capable of representing the economic policy in Hungary and abroad. At the same time, it expects the new minister to speed up the reform of state finances, said Chairman Ivan Petoe.

Medgyessy was finance minister under the Miklos Nemeth government. Following the resignation of Laszlo Bekesi in January 1995, he was offered the post but declined to accept it.

Hungary: 'Hungarian Civic Cooperation' Group Founded

LD2502132296 Budapest Kossuth Radio Network in Hungarian 1100 GMT 25 Feb 96

[From the "Chronicle" program]

[FBIS Translated Text] This morning a national association, the Hungarian Civic Cooperation [Magyar Polgari Egyuettmuekoedes], held its founding session in the ceremonial hall of the District 5 local government. Agnes Pap reports on the event which was held behind closed doors.

[Pap] The idea of establishing the Hungarian Civic Cooperation association goes back one year when the first civic circle was set up. It was organized by a number of politicians of the Federation of Young Democrats-Hungarian Civic Party [Fidesz] and deputies of the Hungarian Democratic Forum [MDF], who were also present at today's founding session. It is proposed that the head of the Fidesz parliamentary group and the deputy head of the MDF parliamentary group take part in the leadership.

Founder Zoltan Veszelovszki told "Chronicle" that theirs was not a political organization, and they did not want to be involved in politics, to become the extended arms of the political parties. What is more, they did not want to set up a new party. He refuted rumors about the association that they were to prepare cooperation between the Christian Democratic People's Party, Fidesz and MDF, reviving the idea of a civic alliance which had previously fallen through, or that they were to offer an alternative to it.

The association's aim is to unite communities with civic values for the strengthening of social market economy and the Hungarian bourgeois democracy, said the head of the founding group.

Hungary: Effects of CEFTA Customs Reductions Viewed

96CH0029B Budapest FIGYELO in Hungarian 11 Jan 96 pp 20-22

[Article by Peter S. Szirmai: "Warming Up To Join"—first paragraph is FIGYELO introduction]

[FBIS Translated Text] *Many Hungarian firms are somewhat anxious and rather uninformed about the effects of yet another reduction of customs duties in the mutual trade of agricultural produce, products, and commodities between member countries of the Central European Free Trade Association (CEFTA). The new tariff took effect in January. Will Hungary continue to have an agricultural export surplus within this community, or is the opposite going to occur: Will Polish, Czech, and Slovak goods that became less expensive as a result of reduced customs duties "flood" the depressed domestic market? In Fiscal Year 1994, which serves as the basis for calculating reductions in customs duties, Hungary's exports amounted to about $143.6 million, while agricultural imports from CEFTA countries amounted to only $42.8 million.*

Beginning in January 1996, customs duties paid by CEFTA countries averaging 24 percent were reduced by 10 percent to an average of 14 percent. Customs duties payable in Hungary for agricultural products imported from CEFTA countries dropped from 39 percent to an average of 23 percent.

The measure underlying these reductions affects about 2,400 of the almost 2,700 items traded between CEFTA countries, and holds out the promise of enticing new markets for certain products traded by Hungarian firms. The reduced customs duties, however, could also lead to domestic production difficulties, and to the bankruptcy of Hungarian producers of less competitive products, especially in the confectionery industry and in regard to vegetables. According to professionals, however, all this should be regarded as a "warming up" period only, because the Hungarian agricultural economy will be faced with more serious competition after Hungary joins the EU.

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Peaceful Transition

Within the CEFTA trade liberalization process that began in 1993, the January 1996 reduction of customs duties is just another step toward full exemption from customs duties, anticipated to take place beginning in 1998. The classification of agricultural products in three categories might have been designed to facilitate the transition. Customs duties have already been abolished on products in the first category, including, for example, extenders, breeding stock, sowing seed, live stock except for hogs and poultry, mutton and goat meat, fish except for carp, and fish preparations, as well as rice, coffee, tea, and certain spices. In the second category, a unified tariff of customs duties published earlier has already been reduced this year; it provides for customs duties ranging from 5 percent to 37 percent. This category includes important products like various kinds of meats [and meat products] including salami and dry sausage, and most fruits and vegetables, as well as frozen foods. Customs duty on powdered milk was established at the rate of 37 percent, while for frozen beans and peas it was set at 7 percent. Except for corn and barley, the customs duty on cereals and flour was set at 15 percent.

The third category contains sensitive goods, whose domestic production is to be protected. Regarding these goods, member states established the extent of mutual preferences in the form of bilateral agreements. As a result of these agreements, the trading of some of these goods was linked to quotas. These include poultry preparations and important fruits (apples, apricots, peaches) and vegetables (potatoes, onions, cucumbers). There remains yet another, fourth category, containing more than 200 items, such as eggs, honey, milk, butter, paprika, cherries, and sour cherries. Customs duties on these items are nonpreferential, i.e., the rate applied in trade between CEFTA countries is the same as the rate applied in trading with the rest of the countries.

Unpredictable Future

The reduced customs duties now in force will not deteriorate, but will increase exports. But it is hard to predict the effects on Hungarian exports and domestic competition of full agricultural trade liberalization among CEFTA countries after 1997, according to Gyorgy Borok, the official in charge of CEFTA affairs at the international relations division of the Ministry of Agriculture. The possibility of reducing customs duties [in a given trade relationship] can be evaluated only in the context of subsidies granted by the trading partners; customs duties and subsidies jointly impact production, exports as well as imports, Borok says. Representatives of CEFTA member countries will take initial steps this year to assess the magnitude of the impact, and to streamline the respective regulatory systems, because the ministers had established 1 January 1998 as the deadline for duty-free trade. The stakes are high; the establishment of streamlined economic rules and regulations in CEFTA countries would be regarded as a rehearsal for the grand entry to the joining of the EU. But even before joining the EU, we are bound to gain by virtue of the reduced customs duties, Borok claims. The way these alleviations affect imports is yet another question.

Borok, the official at the Ministry, is not the only one who harbors a sense of uncertainty; agricultural economists interviewed by FIGYELO also expressed reservations about the related decrees published in the official gazettes in late December. Farmers and heads of firms do not know whether to rejoice about, or to be aggravated by the [new] opportunity that also demands sacrifices.

Increased exports seem to be only fond hopes if one considers the lean year that resulted in depleted stocks of many agricultural products; at the same time, they would not rejoice over a flood of new competition appearing in the domestic market which has been stagnant due to low demand. According to merchants, low cost vegetables and fruits imported from Poland, as well as occasional overproduction, could stimulate farmers to keenly compete on the potato, onion, and apple markets. For this reason—to blunt the edge of the expected competition—the Hungarian [vegetable and fruit growers'] trade association is intensifying its cooperation with the Polish gardeners' association, in order to avoid possible overproduction. Nor do vintners expect miracles as a result of reduced customs duties: They are unable to take advantage of the export preferences. The price of grapes has increased by 40 percent, other costs have increased by at least 20 percent, and [the government] provides 40 percent less in export subsidies. But there is not enough wine anyway.

Manufacturers of confectionery products registered their protests with all pertinent ministries and even with the prime minister against CEFTA customs duty reductions which threaten their existence, but so far the protests have not produced many results. Customs duties on confectionery products made with flour were abolished as of January, and customs duties on candies and chocolates were also reduced to levels low enough to raise concern.

Are Multinational Firms Enjoying Themselves?

Manufacturers in Hungary are threatened by being swept out of the domestic market by Czech and Polish

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competitors whose production costs are well below the costs of their Hungarian competitors, according to Matyas Halbritter, managing director of Gyor Biscuits, Ltd., and president of the Confectionery Manufacturers Association.

This is because, by the stroke of the pen, customs duties of 40-70 percent on Polish and Czech biscuits and wafers have been removed as of January. True, during the past two years the trading of these products with these countries has virtually ceased, precisely because of the high customs duties. For reasons described above, no substantial amounts of these products were exported by Hungary, and therefore Hungarian manufacturers surrendered the protective customs duties with ease, according to a Kopint-Datorg assessment. Still today, raw material and other costs paid by Czech and Polish confectionery manufacturers are far below those paid in Hungary (sugar, for example, is 20-30 percent less expensive), and multinational competitors, such as Bahlsen and BSN doing business in Poland and in the Czech Republic will certainly make the best out of this competitive advantage. Under these conditions the Hungarian confectionery industry is not going to be able to compete without protective customs duties; not even on base materials that can be obtained for less money abroad—such as flour and sugar—have customs duties been removed. On quantities exceeding the preferential contingent, sugar is subject to a 70 percent customs duty, and a 15 percent customs duty must be paid on flour.

It will be difficult to offset the competitive disadvantage in both the exportation and domestic sale of Hungarian products solely by increasing the quality of products, according to the association president. The competitive disadvantage experienced by processors could also have an adverse financial impact on the cereal and sugar industries, if orders placed by confectionery manufacturers become smaller and smaller.

According to Karoly Botos, the deputy chairman of the Ministry's Office of Agricultural Market Rules of Order, within CEFTA—which is not determinative from the standpoint of Hungarian exports—Hungary's exports exceed its imports in virtually every product category. Considering this situation, all customs duties could have been removed immediately. The present liberalization must be tolerated, short of tolerance, how could Hungary integrate with the EU, which is much larger than CEFTA? In any event, the liberalization of sensitive products is restrained. But one cannot make progress without compromising.

It is an open secret within the trade that several enterprises have unused capacities and operate with obsolete technology, and therefore, these firms must take the CEFTA training period very seriously before joining the EU.

This is a good lesson to be learned by lobbies that lick their wounds, because joining the EU will become an even more painful process if they accept the gaps produced in the course of interest reconciliation. If the Hungarian negotiating delegation conducts its bargaining solely on the basis of questionable statistics, it could easily make a blunder similar to the one it made in regard to the memorable GATT agreement, according to Cereal Association Secretary Gyorgy Makai. True, anyone who wishes to sell something in Hungary, does not think the same way as buyers do. If it is really true that CEFTA members will crowd the Hungarian market, this will also create price competition, just as it did in Austria when it joined the EU. The price of apples may drop from 100 forints to half that amount, and biscuits and wafers may also become cheaper. One cannot tell for how long, of course, because unlike Austrian firms, Hungarian firms cannot count on "compassionate support."

Polish and Czech agricultural producers jealously watch and protest: Why is it that Hungary, a country actively engaged in agricultural foreign trade, does not discontinue export subsidies at a time when customs duties on its products are being reduced anyway. Namely, the rest of the CEFTA countries—the Czech Republic, Poland, and Slovakia—subsidize their producers, not their exports, consistent with the spirit of the GATT agreement. (Incidentally, this is also closer to the spirit of GATT.) This is why the ministers agreed that different agricultural rules must be streamlined by 1998, when full duty-free status is introduced.

[Box, p 20]

Potato Quota, Beer-Wine Pact

Heavy bargaining preceded the mutual reduction of customs duties. Whether a given CEFTA country produced a given product, and if so, the volume of its production, whether protectionist measures were needed because of climatic conditions or certain economic features, or if customs duties were intended to [serve as trade barriers to] prevent imports, became important considerations. Poland is a good example for this kind of situation, where no grapes or corn are grown, but where Hungary has established a tradition of selling wheat and wine. Understandably, Poland granted preferences to Hungary, which were large compared to preferences granted to countries outside of CEFTA. At the same time, however, as an exporter of potatoes and vegetables, Poland expected Hungary to grant [similar] prefer-

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ences when importing these products. Nevertheless, to protect Hungarian producers, the importation of Polish potatoes to Hungary was linked to certain time periods and to quantitative quotas.

In the framework of bilateral agreements, CEFTA members established similar preferential quotas for important specialty goods. Based on such agreements, Hungary may deliver duty free, annually 600 tons of salami and dry sausage to the Czech Republic, and 400 tons of the same to Slovakia. In return, 600 tons of Prague ham may be imported to Hungary duty free. The beer and wine agreement was also preceded by serious negotiations, because Hungary must open its borders to Czech and Slovak beer, to receive preferential treatment when the juice of Hungarian mountains is exported. According to the agreement, 30,000 hectoliters of Czech beer and 20,000 hectoliters of Slovak beer will flow this year to Hungary with a low, 10 percent customs duty. In return, Hungarian breweries may export 9,000 hectoliters of "liquid bread" to the Czech Republic, and 6,000 hectoliters to Slovakia.

A 10-percent customs duty will be applied to 18,000 hectoliters of Hungarian wine to be delivered to the Czech Republic and 12,000 hectoliters to Slovakia, in exchange for these two CEFTA countries exporting 4,000 and 6,000 hectoliters respectively of their wine to Hungary.

Hungary: Performance of Danubian Aircraft Company Noted

96CH0022C Budapest FIGYELO in Hungarian 23 Nov 95 p 27

[Article by Emilia Sebok: "Living By Their Wits"]

[FBIS Translated Text] *A company wants to live: to keep its work force and preserve its technical culture. Indeed, it is even developing, albeit, modestly. Its future, however, remains uncertain.*

Last week, already the second C&D Exhibition of Central European Defense and Aviation Equipment was held at the Budapest International Fair Center. As many as two outstanding events at the exhibition heralded the performance of the Danubian Aircraft Company (DR Rt.): the first Su-22 fighter that the company had overhauled was delivered symbolically to representatives of the Hungarian Defense Forces; and the Mi-17 helicopter that the company had converted into a VIP aircraft, for Romania's Ministry of the Interior, was displayed.

The company's financial situation looked extremely bad at the beginning of the year. The fact that this had not led to bankruptcy can be attributed also to the Romanian order, but mainly to a 250-million-forint [Ft] order from the Hungarian Defense Forces, for the general overhaul of four Su-22 fighters. (The break-even point above which the business begins to show a profit is Ft800 million.) This was the first time the factory overhauled an aircraft of this type. Preparations for switching to a new type of aircraft generally require as much as two or three years and a substantial capital investment. That the four aircraft will be overhauled and returned to the Air Force barely six months after receiving the order can be explained by the company's fruitful cooperation with the ARP Aircraft Repair Enterprise, a Belarussian firm in Baranovichi. The latter already has extensive experience in repairing aircraft of this type. The aircraft were dismantled here at home, parts and equipment were repaired at the foreign partner's plant, and then the reassembly, checking and flight tests were again performed in Tokol.

Laszlo Szendroi, the factory's economic and marketing director, emphasizes the advantages of cooperation and points out that this way the Hungarian Defense Forces, coping with meager budgetary allocations, can have the no-longer-deferrable general overhauls done at the lowest possible cost. Meanwhile, the factory's team of skilled workers has learned to work within the framework of international cooperation, mastering new technologies and management methods. This is extremely important now that—likewise at the C&D Exhibition—the Saab Military Aircraft AB and the Danubian Aircraft Company signed a contract under which the Hungarian firm will be manufacturing parts for the Swedish Gripen fighter, as of next January. The machining of parts from special stock, using a special technology, will generate several tens of thousands of dollars of revenue for the DR Rt. already next year.

The Swedish aircraft company is now placing orders with its partner, regardless of whether the Hungarian Government will choose the offered JAS-39 Gripen or some other type as replacements for the aging MiG-21's that are due to be phased out at the turn of the millennium.

Understandably, the DR Rt. managers (they are also its principal shareholders) are promoting the Gripen and are emphasizing that the Swedish manufacturer would outsource significant additional production in Hungary.

The Danubian Aircraft Company's collective, 550 strong at present, will continue to earn their livelihood mostly from orders placed by the Hungarian Defense Forces, which will continue to be hard pressed for cash. Already this year, revenue from orders placed by the Hungarian Air Force has not kept pace with inflation, and probably the same thing will happen next

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year as well. In addition to the "usual" orders, general overhauls can be expected of three more fighters from among the twelve Su-22's, and also of two An-26 military transports.

The drafting of the military budget is not noted for its swiftness, and that is hampering the company's financial planning. In the opinion of Lieutenant General Nandor Hollosi, an even greater problem than the slowness of dividing the total appropriation for the military is the military's inability to plan for at least the medium term. Development of the Air Force's stock of combat materiel would require much longer foresight than what the annual planning cycle offers. For instance, the foreseeable service life of the Gripen fighters that Sweden is strongly pushing is between 30 and 40 years. Whatever type of aircraft the government eventually decides to choose, the Hungarian Air Force ought to be kept operational even until the new type's inclusion in the armament plan. Both the soldiers and the aircraft mechanics are hoping that the Finance Ministry and parliament will also realize this.

[Box, p 27]

Awaiting Liquidation

The Danubian Aircraft Company (DR Rt.) is operating on the basis of the Pest Region Engineering Works (PG) that actually went bankrupt five (!) years ago. DR Rt. is leasing PG's plant and equipment and is continually buying the latter's inventories. But this does not generate sufficient revenue for the liquidator to satisfy the creditors' claims. And DR Rt., if it has any available funds at all, is going its own way with investments to expand its aircraft repair and maintenance capacity. (With these investments, DR Rt. has already departed considerably from PG's original production structure.) Thus, DR Rt. also lacks sufficient funds with which to buy PG, for the price that the liquidator, Reorg Rt., hopes to realize from the sale of PG's assets. To date, DR Rt. has become one of PG's largest creditors.

But now DR Rt. and another large creditor, MBFB Rt. [Hungarian Investment and Development Bank], have joined forces. They are offering for the remaining assets a sum that would be sufficient to satisfy about 40 percent of the claims (that is how much the small creditors had received earlier). However, under the final distribution plan the liquidator has filed with the court, between eight and ten large creditors would receive equity stakes, and several hundred small creditors would get cash to the full amount of their claims. For, according to Reorg Rt., the value of the remaining assets would be sufficient for the large creditors to also be repaid in full, if they accepted the offered equity stakes. Thus, the two final distribution plans are rather far apart, and it is to be feared that the future of a venerable company will remain uncertain.

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B-H: Acting President Ganic Interviewed

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[Interview with Ejup Ganic, acting Bosnia-Herzegovina President and member of the state Presidency by an unidentified correspondent in Sarajevo on 24 February—recorded]

[FBIS Translated Text] [Correspondent] Our guest this evening is Ejup Ganic, member of the Bosnia-Herzegovina Presidency and vice president of the Bosnia-Herzegovina Federation. Good evening Mr. Ganic.

[Ganic] Good evening.

[Correspondent] Just before this interview you enquired about the president's health.

[Ganic] Yes. The president is well. Everything is as it should be. He is perhaps slightly restless, he has asked to watch TV, to use the telephone, etc., but the doctors are strict. They are satisfied with his recovery. The president needs to rest. He is recovering very well and we are satisfied.

[Correspondent] You are deputizing for him in his absence, with the approval of the presidency and according to the president's wishes. The highest state body is functioning. Vogosca yesterday and Nedzarici today are the examples of this. How does the presidency function?

[Ganic] The presidency makes preparations for its sessions. This involves various material, appropriate state services, necessary facts, dilemmas, and consultations after which a session is held and decisions adopted [sentence as received]. We continually monitor the situation on the ground and the government deals with some of the problems. Our priorities are foreign policy, defense, and internal security. These three elements are particularly important for the presidency and we monitor problems linked with them on a daily basis.

However, the state is going through a very busy period. Work has started on reconstruction, resolving the problem of refugees, and we are trying to expand our competencies. On the whole, the presidency is functioning. Some are working more, some less, but when we balance this out the presidency is functioning.

I was frequently in a position to deputize for the president during the war, so it is now largely a routine.

[Correspondent] Listening to the voice of people, I have to say that during the war people were dissatisfied with some decisions, etc. Since you are an acting president, do you think that the people have trust in you?

[Ganic] Trust is gained through work. I don't find it comfortable to forecast how things will turn out in the end, but the people see who is working and who isn't. The presidency did indeed go through certain stages, but no one ever waited for the presidency to make a decision. We have always had sufficient strength and instruments to make decisions, to take action, to adopt a stand. If you remember, at one point during the war we carried out the duties of other bodies. Whenever it was not possible for the assembly or government to hold a session, we would take over and make the necessary decisions.

As for the trust of the people, it is mainly gained through work. Time is the best indicator to test this trust.

[Correspondent] You said that the presidency was making decisions. Were these decisions individual or collective?

[Ganic] You see, there was a great deal of discussion before any decision was made. However, no decision could be publicly contested. It is a fairly analytical process: You analyze what is good, what is bad, and what needs to be done at which particular moment. I think that all the people who work in the presidency give a part of themselves to the presidency, some more and some less. These decisions are made through an analytical process. We often discuss things to see what is best. Seven members means seven views. But in this war, owing to the wisdom and leadership of President Izetbegovic, our decisions were adopted mostly on time and after quite a thorough examination.

[Correspondent] The [number indistinct] expanded session of the presidency was held yesterday. It was an ad hoc decision. Why?

[Ganic] We had several matters to discuss. Vogosca was one of the problems we had to resolve, to make sure everything is done as it should be. Of course, we monitor the president's health every day. But we concentrated on Vogosca because the world public watched every step. It watched every detail. We are a legitimate and legal state. This had to be demonstrated in the way we entered Vogosca, so that the situation could return to normal. This was one of the important issues on which we worked yesterday, in fact overnight, since the takeover of buildings and the town itself began at 0600 [0500 GMT].

We also discussed Mostar and a number of other matters normally discussed by the presidency, but about which the public is not informed daily.

[Correspondent] You mentioned Vogosca. The implementation of the Dayton agreement practically began yesterday. Federal authorities entered Vogosca. Ilijas,

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Hadzici, Ilidza, Grbavica, and other Sarajevo districts are to follow—one every six days. We saw the Serbs leaving these districts. They succumbed to cynical political manipulation on the part of Pale and its media.

[Ganic] The Pale regime is trying to save its skin. The international community made a big mistake. It should have arrested Karadzic, Mladic, and Krajisnik right away. These three are now trying to rescue their political program by trying to destabilize Sarajevo, i.e., they are dragging away with them even the Serbs who have no reason for moving out of their houses and flats. They are creating a human shield around them. They don't have enough Serbs in Pale and they need the ones from Sarajevo districts.

On the other hand, some of those leaving Ilidza, Hadzici, Vogosca, etc. are right to leave. They know what they did in the war. They are aware of the seriousness of the crimes for which they are responsible. In a way, they are coming face to face with civilization and they are running away from it.

This is going to be a unified town. It is one of the most important European towns. It is one of the most important world centers. Ask any primary school pupil in Thailand, in South America, or Africa where Sarajevo or New York are. He will tell you that Sarajevo is in Bosnia and New York somewhere in America. We are well known. We defended the basic principles of civilization here in Sarajevo, we defended the foundations of a new world order to be. This town was under siege. The people who held the town under siege can see that civilization is approaching and they are running away from that civilization.

Karadzic, Krajisnik, and Mladic are taking away with them even those who were not involved. They want to use them as a human shield, to avoid what they most likely won't be able to avoid. To avoid trials for crimes they committed.

[Correspondent] Moreover, they are taking everything with them. Our refugees took nothing with them. A question now arises of their return. Our refugees left everything behind. Where will they return, how, and with what?

[Ganic] When you said the Serbs were taking everything with them, they were mostly taking other people's property. Those leaving houses which belonged to other people took with them the doors, sockets, wires, installation—everything that could be removed. Those who were leaving their own houses didn't do that. Occasionally, a house would be set on fire, but the priority was to steal all Bosniak property or destroy it. To tell you the truth, we have more strength in us than their capacity to destroy. We are experienced in building towns, factories, and streets. We are good at creating a cozy atmosphere. We built towns, they destroyed them. We will rebuild what was destroyed once again. This is the difference we must make.

As for our refugees, they were running for their lives. Our refugees were expelled from their homes; they were running away from the killings, rapes, torture, etc. Those who managed to escape only just managed to save their skin. One of our elementary problems is to ensure the return of these people. These refugees are our own people wherever they are. They are part of Bosnia and we gradually have to organize ourselves and begin the process of their return. If they can't be taken to their own homes, we will find a temporary solution. We need our people. We need them here in Bosnia. But we must be well organized.

You see, a large number of small Bosnians, of small Bosniaks, are attending schools throughout Europe. These are the children who are achieving amazing results, they speak two foreign languages. They are deeply aware of the tragedy and we must gradually bring back this potential of ours. Many Bosnian Bosniaks are being born in Europe. However, they are being born in Bosnia because, you see, when a child is born, the parents first ring here to report the birth, and only later the local authorities, whether in Germany, Austria, or Sweden—I cannot tell you.

[Correspondent] And what about the Bosniaks born in Bosnia? How are we going to return them to Vogosca, the Bosniaks, who they say, have stagnated intellectually in comparison with the children who have been exiled in the West over the last few years?

[Ganic] You see, it is debatable if they have stagnated or not. You know, in Sarajevo during the war there were about 30 centers in which children learned foreign languages. On the other hand, everyone took part in the defense. The children who stayed in Sarajevo are part of our history. Together with us adults, they created history. Perhaps you will remember video footage on CNN showing a small boy sharing a piece of bread with a dog he had found in the street. This was one of the most powerful stories on CNN that was shown throughout the world, the strength of this Bosnian child.

So without its children, Sarajevo would not have been what it is. On the other hand about 2,000 children, boys and girls, were killed in the war. As for giving the same chances, well, we have a program: We must become a state in which everyone will have the same chance. In time and as far as possible, everyone will be given the same chance.

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Of course, those who are not in Bosnia, they suffer and have been through a different kind of ordeal because they did not witness history being made, they were where things were happening. But, we, the Bosniaks in particular, are a small group. Every man is important to us and from Australia to America we must become integrated in Bosnia as our mother country. Whoever comes is welcome. Those who come slightly late must be included in the plan, must be involved. And this is what we have been working on.

[Correspondent] We've said that the reintegration of Sarajevo started. Is the implementation of the peace process proceeding according to plan?

[Ganic] Yes, on the whole. The military part is mostly being implemented according to plan. As far as the civilian part is concerned, there are delays. Most politicians who come to help from the outside mostly mind their own careers. They all use Bosnia for personal promotion. Who has ever heard of a General McKenzie, Gen. Morillon, Gen. Rose, etc. They were all nobodies. They built their careers on the tragedy of Bosnia. This is also the case with the world politicians who are involved in Bosnia to a greater or lesser degree. We are only just beginning to discover the egoism of the international community and its politicians. This is the other side of world politics.

[Correspondent] What is the news from Mostar?

[Ganic] The latest reports I have say the situation is quite good, that freedom of movement is observed on the whole. That was our basic principle with regard to Mostar—to ensure freedom of movement, so that people could slowly go to their flats and houses, so that this process could gradually begin. A single city was also our strategy and our aim. That's what we tried to achieve in all talks, including the ones in Rome. However, it is sometimes difficult to tell the whole truth. For instance, there was a lot of discussion on Mostar in Rome. It was the most difficult issue. I recalled the Latin proverb: All roads lead to Rome, all roads lead from Rome. When we arrived there, we saw that the international community wasn't behind Mr. Koschnick's original plan on that district. How could we tell the people about it? Everyone was supporting Koschnick's plan. There were three, four messages and we perfected everything here [as received]. However, the first statement—by the Italian foreign minister—referred to the implementation of Koschnick's plan in stages, so that in the end the international community told us that we had to change certain things, and only then will it use its influence.

We didn't change Koschnick's plan. We wanted a status quo. But that is not the point, believe me. The point is not in whether the district is wider or narrower by 50 meters. The point is in preserving a single town, in opening it up so that the people in it can feel free, so that they can all return to their own houses and flats and have the right to repair their property.

I live in Sarajevo's Centar district. I thought it was Stari Grad. Whether the borderline is 50 meters closer or further away, that's not the most important issue. When Mr. Ischinger said on behalf of the German delegation in the international community that they could not support Koschnick's plan because they wanted to establish freedom of movement quickly, in the same way they thought that the point was not in the width of the district, if one were to speak about a single town [sentence as heard].

[Correspondent] Mr. Ganic, people in Mostar do not think so. They think that by the latest redrawing of the Mostar map they have been given two separate town quarters.

[Ganic] You see, the fact that the district has been slightly reduced does not mean that something has been given away to the Croat people, that something was given to the Croats. There are records which show who owns a building, who owns a house, which building is state property. So, there was no division of property in Mostar. What is characteristic is that we have no time to hold meetings with the people in Mostar to explain the details. You see, it is very trendy to say: Do not give in, etc. Of course, we are not giving in, but we want a unified Mostar. That is our goal. A unified Mostar is more important to us than a Koschnick drawing. On the other hand, people are saying: We cannot; we think that what Koschnick has proposed we cannot support at the moment; Koschnick will most likely resign; etc. In other words, we have opted for a unified Mostar, full freedom of movement and the continued presence of Koschnick and the EU in Mostar.

The other thing we were offered was the departure of the EU and ensuing tensions on the separation line, total ban on the freedom of movement and, of course, going back to where we started from.

[Correspondent] You knew that. Taking part in the local TV program, Pokus [Analysis], you said that there could be no changes to the Koschnick decision. Are not the people of Mostar rightly cross with you?

[Ganic] You see, I said that we supported Koschnick's decision. However, we are not the only one who count. The EU has not backed Koschnick's decision. This is the problem. And in Rome we tried to get the optimum [Ganic uses word, "optrizirati," which does not exist] out of the situation, to come back with the freedom of movement guaranteed, to return with the guaranteed

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openness of the town. Do you know what we did? Late at night we asked the Americans to be, in some way, an additional guarantor of the freedom of movement, of a unified city. In other words, we supported Koschnick and his plan, etc, but unfortunately it is not enough just for us to give support to Koschnick. The EU is less united than it seems from the news reports, etc. And this is where the problem lies. However, I think that if you look at it carefully, you will see that we have gained more than if we had just stuck to Koschnick's drawing but without the freedom of movement. This would have meant going back to square one and a possibility of renewed conflict because the extremists hoped for a solution that would have taken us back to the old situation, without the freedom of movement, without joint patrols, without an open city. However, the city is beginning to breathe slowly but surely and we will not, we are monitoring the situation daily and trying to influence it as much as possible.

But, you see, the people want us to draw the lines. But look what happened in Chechnya when a general, as it was said recently, you know, this way or not at all, well, in politics, when you have only one Bosnia you must make compromises not to give Bosnia away but to preserve it [sentence as heard]. And I think that this has happened in Mostar. As soon as I find time and opportunity, I shall speak to the people. These problems here in the Presidency have forced me to be here but it would give me pleasure to spend several days in Mostar talking to the people there and analyzing the problems.

[Correspondent] The ministers of internal affairs, Jarnjak and Habib have agreed on joint Bosniak-Croat police patrols together with the European police forces. Where was this agreement reached?

[Ganic] You see, this comes under Koschnick's powers. Koschnick was given a police contingent from Europe, one from Croatia and, of course, we sent one from central Bosnia. This is all under Koschnick's jurisdiction and his administration. It is not something that was agreed upon by these two ministers. This issue comes under the EU jurisdiction. They, of course, talked about the ways of implementing this technically, how to implement some details, for, apparently, it is better if a number of policemen from Croatia are present because of the contacts in the western part of Mostar where mostly Croats, both the indigenous ones and refugees, are now living. In other words, that was the formula that was applied. All this, the details, was agreed under Koschnick's auspices. Patrolling has been intense in the inner part of the city, but as of 1 March they will have to start functioning throughout the city, although we insisted from the word go and it was agreed in Rome that they should start patrolling throughout the city immediately. However, for technical reasons—as European experts like to say—this was not possible on the first day.

But, if you have a close look at foreign news reports, you will see that things have moved on in Mostar. I think that it is better to have freedom of movement, an open city rather than to have a drawing which is not backed by either the EU and which cannot be implemented.

[Correspondent] We have heard you saying that you are an optimist about Sarajevo. Are you as optimistic about Mostar?

[Ganic] You see, work can resolve many things. When it comes to Mostar, we, of course... [pauses] Well, I hope for the best. We have done everything possible and will continue to do so to ensure that the city starts functioning again, that in time everyone returns to their homes and this optimism in me is the results of my work. We are with the people of Mostar, believe me. This is not the issue that concerns the people who live there alone; this is the issue of Bosnia, of the federation, of Bosnia as a single state and when it comes to Mostar, many issues are being tested on the case of Mostar. And, of course, this affects the federation and the state of Bosnia-Herzegovina as a whole.

[Correspondent] Mr. Ganic, already there have been comments coming from the Croatian side about Croatia's next moves. Since, according to the Dayton agreement, municipalities cannot integrate, is there a possibility of a referendum at which people would decide, for instance, that three municipalities would be turned into one and thus only one leadership elected?

[Ganic] The basic principle in the federation and in Bosnia-Herzegovina as a whole is private ownership. On the other hand, everyone has to vote in the area of his residence. Unfortunately, we in Bosnia have never been in a position to choose our neighbors. There has always been pressure and attempts. [sentence as heard] However, we will use all the mechanisms available to us on the diplomatic plan to defend ourselves, and I think that this integration, local referendum, etc., cannot go ahead in the way in which someone would like it. Everyone must return and vote in the area of their residence.

[Correspondent] If this were to happen, would residents of Mostar in fact get two Mostars?

[Ganic] First of all, this cannot happen. Have a look at the western part of Mostar and the large amount of Muslim property there—houses, gardens. Military solutions cannot be turned into permanent solutions by means of some invented referendums. I belong to a nation which has never stolen anyone else's property.

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We ask the same of the other nations. Let everyone keep their house and their garden, he does not have to steal from others. I look at CNN reports—furniture that is being taken away from Ilidza, Vogosca. I recognize Bosniak lace and embroidery which can be seen on these pieces of furniture loaded for transport. The reports says that the Serbs are taking their things away. In fact, they are taking other people's things.

This principle, our principle of defending our property, will be in force throughout Bosnia-Herzegovina. We have the strength to fight for this, largely because we have no other alternative. We have only one Bosnia, we don't have a spare country somewhere else. Bosnia is our fate. We will fight with all our strength to influence our fate, with God's help.

[Correspondent] You have visited Stolac twice in the capacity of vice-president of the Bosnia-Herzegovina Federation. We have been receiving contradictory reports from that town.

[Ganic] Yes, these visits [changes thought], I went down there following the elections for vice president of the federation. The situation was very difficult then, I barely escaped alive. They surrounded me, but everything somehow turned out well in the end.

My second visit was more successful, we agreed to repair some one hundred Bosniak homes. We visited those houses, we noted on paper their exact number and location. We agreed that all those houses should be renovated with the assistance of the international community, and that the Bosniaks should return.

Anyway, in my opinion, Stolac is still a ghost town. It has no more than 700, 800, maximum 1,000 inhabitants. Let me tell you, even the Croats living there find it depressing. It is terrible to live in a street where only one house has occupants, where one is surrounded by ghostly emptiness. Towns are made of the people living in them.

We have made some headway, we are insisting on the resolution of the Stolac issue as much as we can. We have reached agreement on renovating a hundred Bosniak homes; an average of five, six family members are to return to every house. We shall then go on resolving the problem.

[Correspondent] When is this process expected to start?

[Ganic] It has already started; we expect to complete it by May or June.

[Correspondent] We have heard that all the remaining Bosnian houses had been mined?

[Ganic] It is true that a great number of houses have been mined. This was done by extremists from among the Croat people. The Croat officials admit this and it is evident there.

[Correspondent] You said your life was threatened the first time you went to Stolac. Why do you say this now for the first time?

[Ganic] Well, it is part of one's job. You cannot describe the atmosphere in which you are working, as it may have a demoralizing effect on people. During the war we tried to be where the fighters were, to show that without risks—not only by the soldiers in the trenches, on the frontline, but also risks from we who have high political posts—there is no defense of Bosnia.

So, that risk is an integral part of the job. At that time it was not pleasant. When you are surrounded from all sides [changes thought], some people are narrow-minded, they think they can get away with grabbing other people's estates, houses. At that time I had entered into a dialogue with a man from Kakanj who simply squatted in a huge Bosnian house, took over the estate, and who was better off then than he would be in Kakanj. There are cement works in Kakanj, there is a thermoelectric power station, and the air in Kakanj is not as clean as in Stolac.

In Stolac, there is the blue Bregava, the air is fresh. I told him: You know, you must return to where you came from. In this forced swap you got a better deal, but civilization is coming, you must gradually get ready to return where you came from. This here, where you are now, belongs to someone else, this is not yours.

This dialogue was, in a way, the beginning of a gathering around my car, a crowd, a mass of people was formed. Finally, I managed to get away from all this.

But, you see, we must forget all unpleasant things because our goal is Bosnia. Maybe one day we may talk about it, but we still have not reached the end.

We have crossed the first half, but a lot of work and effort is left for us to do. No doubt there will be more unpleasant dialogues and meetings but we have only Bosnia and we should spare no efforts for it.

[Correspondent] Dr. Ganic, Lord Owen described you in his book as the architect of Bosnia's propaganda to the West, especially to the United States. Could we have done more, bearing in mind that we managed to save the people, that we survived, that our Bosnia survived, and that—thank God—conditions are becoming more favorable by the day for the return of refugees. Could we have done more than that?

[Ganic] Well, of course we could have done more. We started off with only one satellite telephone—three days

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before the aggression began I managed to get hold of a satellite phone, which was kept in my office. Then the aggression started. In the first six months this phone was our only means of communication with the outside world—all other lines were down. That phone was in this building. We adjusted the antenna so it would not be blown away by a grenade.

We were using that phone. I used to speak to CNN on it. My task was to explain what was happening here to the people of America, Europe, and the Islamic world. That was one of the presidency's strategic objectives. That was an attempt to tell the world about the genocide committed here. These things were later elaborated on by Sacirbey, Silajdzic, and others.

However, only news from Sarajevo was news. In the first year of the war everything was more or less concentrated in the presidency building. It was targeted by Serb artillery. We had our headquarters here, this building was the symbol of the state. We believed it would be wise to keep everything here.

What they call propaganda was in fact a presentation of the truth. The Bosniak people were being murdered here. Muslims were being exposed to genocide in a Europe which was trying to be at the forefront of the building of a new world order. A terrible crime was being committed here.

Sarajevo was in the center of everything. Everybody was trying to say things in Vienna, Frankfurt, New York, Los Angeles, Geneva, but only news from Sarajevo was authentic. That is why I was talking to many foreign TV stations on a daily basis over the first year of the war. Everything was done on this phone during the first six months, and we acquired additional equipment later on.

In any event, that was our strategy. The former Yugoslav Army controlled everything—they pulled all the lines down and mined everything—so we had to outwit them with other means.

In my view, it was being decided over the first six months of the war whether there was to be a Bosnia or not. A formidable power was against us—we had no army, no communications, not even the most basic means of defending ourselves—so we had to resort to politics as much as we could, and to develop our defense system at the same time.

[Correspondent] Are you flattered when someone calls you a propaganda architect?

[Ganic] You see, that is a term used in the West. Everything related to the defense of the state was my task as well. On the other hand, Lord Owen was always somewhat reserved toward me—our dialogues were sharp, our arguments clashed several times in foreign programs, but you cannot influence what someone will write about you in their books. Only time will tell.

[Correspondent] You said that the position of the presidency was precarious. It nevertheless managed over these four years to implement its decisions. What are the future objectives of Bosnia- Herzegovina?

[Ganic] We are still under pressure. But we are an experiment of considerable importance to the world. We have the strength, the ideas, and the struggle goes on. The struggle is now waged with different means, different techniques. We must grow stronger on the inside. We must consolidate our internal situation—flexible production, a well organized system of education, and a strong defense system. As far as political activities go, we must continue on this course of building a new world order.

Europe allowed genocide to happen here, so our future political program and internal development must rely on our own resources. When they were shelling us, killing us, slaughtering us here in Bosnia, the international community dispatched the UN Protection Force—a well-equipped army that did not have the mandate to defend us, to shoot. When the peace was signed—when there was no longer any shooting, when grenades were no longer falling—they sent the Implementation Force, an army with a mandate to shoot and do whatever is necessary.

Therefore, when you need something they will not give it to you. But when you do not need it, they will give it to you. That is the international community.

We have to count on such anomalies in Bosnia's future development. Some things have changed: We now have many friends in the world. If someone tried to push Bosnia against the wall now, voices would be raised all over the world. Democratically oriented parties in the West, the Islamic world, European intellectuals—these voices are heard. Just how much this can be translated into concrete aid is another question, but—thank God—we are no longer as weak as we were in the beginning. We now have clearly defined forces behind us.

We must now bring those people who were on the frontline, those heroes, the people who said they would remain in Bosnia—for me this a question of life and death—we must now engage them in reconstruction and give them at least the bare essentials needed for their survival, we must share with them the precious little we have, and we must share it equitably and fairly.

Viewed from a global perspective, we do not have insurmountable problems. When you have one, two, three, four million people—these problems can be

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solved. If you look at countries with hundreds of millions of people, they have problems with this or that.

Two elements are important to us. They blackmailed us here in Bosnia with food for our survival and with ammunition needed for our defense. I am simplifying these two factors because they are of key importance. In other words, we must pursue policies and a course of development that will preclude such a possibility—we must secure sufficient amounts of food to survive and enough ammunition to defend ourselves.

Many things will now take a different direction. We will try to develop a strong university, a flexible industry, a strong international political presence.

What befell us was in a way similar to what had happened to the Jews. Our Auschwitz was Srebrenica, Zepa, Kozarac and so on. The fate of our nation is a warning to the world that fascism has not been defeated, that the seeds of fascism can still be found somewhere near Bosnia's borders, and that this struggle against fascism goes on. That is why the role of Alija Izetbegovic is a historic role. He is the most prominent leader of antifascist forces in this part of Europe.

[Correspondent] Mr. Ganic, a currently topical subject is Bosnia's relations with the United States and Iran. What can you tell us about that?

[Ganic] We have good relations with the United States. We are developing these ties. America is a multiethnic country and it understands our problems, it is helping us in our consolidation. As a superpower, it is responsible for that. We are developing political, economic, and other relations with America.

The basic values of U.S. foreign policy are being tested in the case of Bosnia. To a certain extent, we are part of the electoral campaign in America.

We wanted America to become involved earlier, to help us. But they passed the buck to Europe; Europe did nothing, and genocide ensued. Therefore, our cooperation with America is a strategic option and we are developing this cooperation in all directions.

As far as Iran is concerned, we have good diplomatic relations with that country. That country diplomatically resisted the aggression [against Bosnia]. They said: Muslims are being killed there, why is the world tolerating this? In certain critical moments that country gave us something for the defense of our state, and we appreciate and respect that very much. That was a friendly gesture, something we cannot forget. We are continuing to develop good and multifaceted economic relations and, of course, good diplomatic relations.

We are building a Bosnia to our liking. We are building a Bosnia to the taste of Bosnians, not to the taste of Americans or Iranians. Many global policies meet and mingle here. We want these countries to begin dialogue somewhere else—it is good that they have met here—but they should begin their dialogue at the right place for that.

We will always be friendly with our friends. The United States is our friend. I think that we have the support of the people of the United States because we here are defending the basic values that America stands for. There has been manipulation with the issue of this country, that country—we have good relations with the whole world, because this is an experiment in the building of the new world order.

Before the war in Bosnia broke out, the world had a certain idea about its capabilities, but now the world is a bit more realistic. Nobody believed that the genocide committed against the Jews in World War II would happen to the Bosniaks in Bosnia. People believed that the world had changed, that it now has more efficient methods of action to prevent such a thing. Unfortunately, this happened.

[Correspondent] If you allow me—as we have not much time left—I would like to ask you a few personal questions. In 1994 you were elected vice president of the Party of Democratic Action. In your opinion, does the party have any faults and what changes should be made?

[Ganic] Of course it has faults. It is a party which has to be built, in some of its segments modernized, more civic elements and values should be added to it. But it is possible to influence, to add, to improve the party. Because it is the political mainstream of Bosniak people.

It is, as I have said before, like a tree you plant in your garden and it starts growing. You have to trim it, branches that grow in wrong directions have to be cut. The crown has to be strengthened, the tree must grow stronger, become more stable, it must look better. It is the same with the party. New values have to be added. It is not enough to criticize. One should join and change.

It is the critical political mass of the Bosniak people. To divide this, to destroy this would mean to deprive the Bosniaks of their political identity, of their political strength. That is why I always appeal to intellectuals to join, to add with their arrival a new quality.

The session of the cantonal committee, from the Sarajevo region, was held yesterday. I was impressed to see among them some 30 professionals—doctors, engineers, lecturers. These are men whose names are well known

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to people. During the war these men have, under terrible conditions, defended Bosnia, defended Sarajevo. This is what I mean by introducing a new quality. It is a party on the move, a party in transition. From a national movement for the survival of Bosnia and Bosniaks it is being transformed into a democratic party similar to the parties in the West. It aims to have a say in the political process, in the rise of democracy etc. The more of us join, the greater our influence will be upon the quality of these decisions and, of course, political activity itself.

[Correspondent] You are the author of six books, written before the war in the United States. You are a member of the Academy of Science. What are your plans for the future?

[Ganic] Well, the project of the defense of Bosnia is not over. I am still engaged in the project of the defense of Bosnia. When this project is over [changes thought], this is a nice country. There will be work.

[Correspondent] You have spent the whole war in Bosnia, with its people. You were brave. What was your most difficult moment?

[Ganic] Well, you see, physically and mentally; mentally, the most difficult moment was 2 May 1992. That is when the Yugoslav People's Army kidnapped President Izetbegovic.

If you remember, during my communcation with him, the president transferred the responsibility and the authority to me. It was a difficult moment for this country and this nation. Then it was the most difficult moment for me as far as operational work was concerned. The problem was how to act and not to make a mistake, how to mobilize the little forces we had here, with small numbers of territorial defense, some hundred boys, to confront the huge dragon. How to be on an equal footing with it in negotiations. How to tell the world in that critical moment that a military junta had kidnapped a head of state. How to convince the world about what was happening here and at the same time convince this nation that it was not the time for surrender and for some kind of Chetnik Kozara dance and for returning to their camp [sentence as heard].

For me it was a day my political maturity was put to a test. Physically, the most difficult day for me was when I had the [car] accident. You now, on 30 June [1995] I had a serious accident. Thank God, it is in the past, I have recovered.

[Correspondent] Dr. Ganic, at this moment you are being watched by Bosnia-Herzegovina refugees throughout the world. Do you have a message for them?

[Ganic] You see, the refugees—it is us, our nation. All of us here have shifted a little bit. They are our citizens. We are thinking, we have plans. We would like to go through these plans with them. We wish people to return, to start that process. If not a complete family, then at least one family member. We are making programs to achieve have this in an organized way.

I say to this people: We are one. This is your motherland. It is always here, waiting for you. What little we have we will share. But we will make a strong, prosperous state. I know that refugees have a hard time, that they are at the bottom of societies in which they are. Thank God, their children are making good. But we want those young Bosnians to build this Bosnia.

To tell you the truth, we who have stayed behind, who have defended Bosnia, we have defended Bosnia in order to create conditions for the exiled, so the ones who had to leave could return to us.

So, as far as refugees are concerned, it is one of our priorities. We will be solving it. We do not want our nation to be lost and scattered throughout the world. We have a homeland. And we know what it means not having our homeland. We have our army, we have our policy, we have a territory from which we act. We have an undivided Bosnia; in all the maps of the world, in all the UN resolutions our presence is slowly felt.

Until yesterday, every second building in Vogosca housed a Chetnik drinking hole. Today they do not exist. Today Bosnia-Herzegovina policemen are walking there—dignified, competent, and Sarajevo is slowly becoming one of the centers of Europe. Do you know that in the Council of Europe there is a Sarajevo group?

That group of European parliamentarians who draw their strength for their political work [as heard] was formed here, in Sarajevo. This is a historical city, it is a world metropolis. Culture, science, and creativity will continue to exist here, as they had existed before, God willing.

[Correspondent] Dr. Ganic, thank you for this interview.

[Ganic] Thank you.

B-H: Presidency Discusses Izetbegovic's Health, Vogosca

AU2302152896 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 23 Feb 96

[FBIS Translated Text] Today, the Presidency of the Republic of Bosnia-Herzegovina held a session that was presided over by Ejup Ganic, member of the State Presidency, who is standing in for Alija Izetbegovic,

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president of the Presidency of the Republic of Bosnia-Herzegovina. The session was also attended by Miro Lazovic, chairman of the Republican Assembly, Hasan Muratovic, prime minister of the Republic of Bosnia-Herzegovina Government, and Army General Rasim Delic, commander of the General Staff of the Army of Bosnia-Herzegovina.

The Presidency was informed about the health of Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina. A team of doctors at the Sarajevo Medical Center is of the opinion that the president, who has spent a quiet night, shows signs of slight improvement. The public will be informed regularly about the health of the president of the Presidency.

The Presidency also discussed the latest information on the takeover of Vogosca Municipality by the legal and legitimate Bosnia-Herzegovina authorities and the arrival of the federal police in the Sarajevo district. The Presidency especially stressed the fact that the process went without any incidents. The citizens of Serb nationality who have not left their homes in Vogosca could see for themselves the correct and the legally-prescribed conduct by the legal organs of authority of the Republic and the Federation of Bosnia-Herzegovina.

The Presidency has also discussed the implementation of the Rome agreement, with special reference to the situation in Mostar, the respect of human rights and the freedom of movement, and the activities of the joint police.

The Presidency has also discussed the program of international visits planned for the period ahead, as well as other matters from its sphere of competence.

B-H: Izetbegovic's 'Continued' Improvement Reported

AU2502140696 Paris AFP in English 1111 GMT 25 Feb 96

[FBIS Transcribed Text] Sarajevo, Feb 25 (AFP)—The health of Bosnian President Alija Izetbegovic, who was hospitalized Thursday [22 February] with heart trouble, has continued to improve, his doctors said Sunday.

"The president's health has continued to improve," his doctors said in a regular medical bulletin.

"President Izetbegovic is feeling well and our medical findings show a steady recovery", the medical team said.

Izetbegovic, 70, was taken to hospital suffering from "sudden heart problems" Thursday and has not been seen in public since.

Brigadier Andrew Cumming, a spokesman for the NATO-led Implementation Force (IFOR), said Saturday [24 February] IFOR was ready to offer every help for Izetbegovic's treatment. IFOR had flown two Slovenian doctors to Sarajevo for consultation's with Izetbegovic's medical team, he said.

The official press agency BH PRESS said US military doctors had also seen Izetbegovic and agreed with his course of treatment.

The agency said meanwhile that Federation Vice-President Ejup Ganic, who was named as acting president during Izetbegovic's hospitalization, had discussed the president's health during a telephone call with US Secretary of State Warren Christopher Sunday morning.

Earlier this week, US president Bill Clinton offered medical or other assistance for Izetbegovic if necessary.

Ganic told Bosnian television Saturday that Izetbegovic "is feeling well."

"The presidency is working normally," Ganic said.

"I have replaced the president on several occasions during the war. This is a routine matter", Ganic said.

B-H: PM Discusses U.S., EU 'Pressure' on Mostar

LD2402213296 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 24 Feb 96

[FBIS Translated Text] The Bosnian media, particularly the press, frequently after peace talks use the terms pressure, blackmailing, and even twisting arms. With these they wish to describe the painfulness of negotiations and methods used by Western diplomats who predominantly choose the Bosnia-Herzegovina Government delegation as their target for pressure.

The latest example is a somersault done by all of the world's diplomacy, particularly the [U.S.] State Department, the European Union, and German diplomacy, which first supported Hans Koschnick's decision on Mostar, and then withdrew their support in Rome. Why is it so, we have asked Bosnian Prime Minister Hasan Muratovic, permanent member of the Bosnian negotiating delegation.

[Begin recording] [Correspondent] How did it happen that EU Administrator Hans Koschnick's decision was changed, when it is well-known that he enjoyed full backing from the State Department and the European Union when making his decision on the future of Mostar? It is obvious that pressure was used. What sort of pressure, and by whom?

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[Muratovic] First of all, Croatia came under huge pressure, given that Croats and Croatia rejected Koschnick's proposal. In this case we were faced with two options: either that the decision remains as it was and never be implemented, or else seek a compromise solution in a package with many other things that would breathe life into the federation, facilitating a speedier and more effective implementation of the entire peace package. We opted in favor of the latter.

[Correspondent] Can we say what the international community pressure amounts to?

[Muratovic] The pressure amounts to what they can set conditions for if we fail to do something. For instance, to slow down or suspend the program of training our army or supplying weapons, not implementing efficiently the part of the agreement relating to economic reconstruction, to treat the peace agreement in its other aspects in the same way as desired by the one advocating some proposal which we should obey. That is, I think, sufficient.

[Correspondent] What should we do next, knowing that the international community has been blackmailing us constantly right from the beginning of the war?

[Muratovic] Always the same. We have to seek most favorable solutions for us and to never accept what might be very bad for us. That means that we should weigh our interest and our concessions. [end recording]

B-H: Mostar Mayor on Importance of Freedom of Movement

LD2202221196 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 22 Feb 96

[FBIS Translated Text] On this evening's news we are now showing part of an interview given to Alija Behram by Safet Orucevic, the mayor of [Muslim-held east] Mostar. Viewers in Bosnia-Herzegovina will be able to see this interview right after the news. The mayor of Mostar speaks about the mixed police force, freedom of movement, and [EU] administrator Koschnick's attitude to what was agreed on Mostar during the meeting in Rome.

[Begin Orucevic recording] The incredible desire and strength of our people has been demonstrated. They insisted on going over the crossroads near HIT [landmark in central Mostar]. They wanted to cross over [to the Croat side]. These youths feared nothing, and they did this. And I think things should continue to be done like this, and with as much dignity as possible, and without inciting others, because this is not a glorious victory. This is only a victory for the citizens of Mostar, regardless of their nationality, to enable them to walk together through their city as they used to do in the past.

It is up to us to see that this process is not stopped by any incidents; it should not be stopped. We must be very careful and wise and carry on like this for another 10 days. By the end of this month, the police will have to be in place throughout the city. If this does not happen, the Rome agreement will have failed.

Mr. Koschnick is disappointed—certainly disappointed—with everything that has happened to his plan. He is angry, as we are, with all those who changed the Mostar plan and put a brake on the federation and tried to derail the whole federation. I do not think this is the time to discuss this. There will be time for discussions after all this. For the time being, the main issue is the struggle for Mostar. [end recording]

B-H: Mostar Muslim Mayor Notes Muslim Unease

LD2502131896 Belgrade TANJUG in English 1248 GMT 25 Feb 96

[FBIS Transcribed Text] Belgrade, Feb 25 (TANJUG)—A Muslim leaving for the Croat western section of Mostar is never sure whether he would return safely, said on Sunday the outgoing mayor of the city's Muslim eastern section, Safet Orucevic.

'The Croat side is doing its best, with constant incidents, to make the Muslims feel unsafe in the just established freedom of movement in Mostar,' Orucevic told the local radio.

The Muslim mayor of Mostar, the southern Bosnian city under the two-year European Union (E.U.) administration until June, had accused Croat leaders of cheating the world public by asserting they were ready to respect the freedom of movement.

In western Mostar on Friday [23 February], two Muslims were beaten but the attackers would remain unidentified like in all previous cases, the radio said.

The problems of reunifying Mostar pose the true test for the future of Bosnia's Muslim-Croat Federation set up in March, 1994, under U.S. patronage and recognized last November with the Bosnia peace agreement.

The freedom of movement in Mostar has been at least formally agreed by the federal partners, Muslims and Croats, only after strong pressure by the international community and after a series of incidents that threatened to rekindle the war.

Bosnian Croats, discontent with the proposed organization of Mostar, demolished the local E.U. offices in

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early February and gunned the car of E.U. administrator Hans Koschnick.

B-H: Two Majority Croat Cantons To Be Created

LD2302195196 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 23 Feb 96

[FBIS Translated Text] A joint session of the presidential council of the Croat Republic of Herceg-Bosna and the presidency of the Bosnia-Herzegovina HDZ [Croatian Democratic Union] was held in Mostar today. After the meeting Bozo Rajic, president of the Bosnia-Herzegovina HDZ, gave the following statement to journalists:

[Begin Rajic recording] As part of the first item on the agenda, Kresimir Zubak, president of the federation, submitted a report on the Rome agreements. The presidential council and the presidency of the Bosnia-Herzegovina HDZ accepted his report, viewing it as a series of proposals designed to realize his obligations.

As part of these conclusions, in other words, when we considered the report and the obligations arising from it, the HDZ presidency and the presidential council of the Croat Republic of Herzeg-Bosna confirmed their readiness and responsibility to implement the Dayton Agreement in full, bearing in mind also the agreements in Rome, and they approved a series of concrete conclusions which oblige the institutions of the Croat Republic of Herceg-Bosna and the authorities of the federation and republic in the interim period in Sarajevo to implement the obligations they have taken on.

To this end, a decision was passed on the system of administration [ustroj] in the municipalities of Ljubuski, Siroki Brijeg [Listica], Grude, Posusje, Tomislavgrad [Duvno], Kupres, Livno, Glamoc, Grahovo, and Drvar in the following way: In the first four of these municipalities—that is, in Ljubuski, Siroki Brijeg, Grude and Posusje—a special majority Croat canton will be created. The other municipalities—that is, Tomislavgrad, Livno, Kupres, Glamoc, Grahovo, and Drvar—will form a second, majority Croat canton.

The following are responsible for realizing this task: the most senior officials in the party and the presidential council and those most directly involved in exercising executive power in these municipalities, that is, the presidents of the municipal councils and mayors, and the presidents of the Bosnia-Herzegovina HDZ municipal committees in these municipalities.

In the implementation of the Rome agreements, in the points defined in the agreements on Mostar, and in the statement on the federation and the principles relating to the reintegration of Bosnia-Herzegovina, working groups have been appointed for each individual task and they have been given precise deadlines and instructions pertaining to the execution of these tasks.

Furthermore, it was agreed that by 1 March, which according to the Dayton Agreement is the deadline for the appointment of all working parties and working bodies for the implementation of the provisions of these agreements, it is up to the presidency of the Bosnia-Herzegovina HDZ to appoint those working groups, bodies, and commissions which were not appointed during the overall implementation of the project of the Dayton Agreement in the spheres of the revitalization of the federation and the peace agreement for Bosnia-Herzegovina.

Briefly, these are the main conclusions of today's joint session of the presidency of the Bosnia-Herzegovina HDZ and the presidential council.

I would also point out that once again, in a separate conclusion, we demonstrated our political commitment to see that the area of Bosanska Posavina, which is to remain within the Bosnia-Herzegovina Federation, is set up as a canton with a majority Croat population. [end recording]

B-H: Mostar EU Administration Confirms Free Movement

AU2302162096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 23 Feb 96

[Report by Mirsad Behran from Mostar]

[FBIS Translated Excerpt] There are no longer any barricades and obstacles in Mostar. The removal of the former checkpoint in the central part of the town, through which people used to cross from one part of Mostar to the other, started this morning. The implementation of the Rome agreement was the main topic of today's regular news conference at the headquarters of the EU Administration in Mostar. Journalists were briefed by Koschnick's deputy Klaus Metscher. Here is a report by Mirsad Behran:

[Behran] At the very beginning of today's regular news conference, Ambassador Metscher spoke briefly about the results of the parts of the Rome agreement referring to Mostar. He said that the EU had completed its part of the job, since Administrator Hans Koschnick had signed the amendment on the transitional status of the town. This has made the map of the town's districts signed in Rome official.

Other steps have also been made. One such step is the freedom of movement and the joint police forces. This process started on Tuesday afternoon [20 February],

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Metscher said, and is going smoothly without any major problems. He confirmed that the joint patrols controlled the central part of the town.

Regarding the freedom of movement in Mostar, Koschnick's deputy Klaus Metscher said this:

[Begin Metscher recording in English fading into Serb-Croatian translation] The town is now open. There is freedom of movement. We have recorded some incidents, but this is not surprising considering the situation. Nevertheless, our view is that this has now been implemented. No one can force people to cross if they do not want to or if they are afraid. But, all in all, there are increasing numbers of people crossing from one side of Mostar to the other. [end recording] [passage omitted]

B-H: Brussels Commission Delays Decision on Koschnick

AU2202200796 Paris AFP in English 1923 GMT 22 Feb 96

[FBIS Transcribed Text] Brussels, Feb 22 (AFP)—The European Commission is delaying a decision on whether to keep Hans Koschnick on as its administrator in Mostar, given the tense situation in the Hercegovina city, the commission said Thursday [22 February].

"The situation remains disturbing in Mostar," a commission spokesman said after Koschnick, a former mayor of the German city of Bremen, met with Hans van den Broek, the EU commissioner responsible for eastern Europe.

Van den Broek is to recommend to European Union foreign ministers, who get together Monday in Brussels, to defer what would otherwise be a "premature" decision about Koschnick's mandate.

Mostar, in southern Herzegovina, remains under EU administration amid efforts to reconcile its Moslem and Croat communities—a key part of the Dayton accords that are to end the war in the former Yugoslavia.

Van den Broek supports in principle extending Koschnick's mandate in Mostar, but the commission spokesman said freedom of movement must be restored in the divided city, in line with pledges made at the Rome summit on Bosnia-Herzegovina last weekend.

Koschnick regards the return of refugees who had fled Mostar in the war and the city's reconstruction as the most urgent problems to resolve.

The European Commission is the executive arm of the 15-nation European Union.

B-H: EU's Koschnick To Quit as Mostar Administrator

AU2402144796 Paris AFP in English 1359 GMT 24 Feb 96

[FBIS Transcribed Text] Bonn, Feb 24 (AFP)—The European Union's administrator in the southern Herzegovina city of Mostar, Hans Koschnick, says he wants to finish his term at the end of July in an interview to be published in Sunday's BILD AM SONNTAG.

"I will not be available as of July 23, whatever the conditions," said the former mayor of the German city of Bremen, indicating that he had "given a promise" to his wife.

Koschnick said he was even prepared to leave the city earlier if "someone appropriate" was found to replace him.

In the newspaper interview, Koschnick dismissed reports that he was seeking to have his mandate extended till the end of the year, saying the misunderstanding came from colleagues in Brussels.

He denies having thrown in the towel in the face of ethnic divisions in Mostar, insisting that "a new phase must now begin (in Mostar) with the creation of a common administration" between Croats and Moslems.

Koschnick said the city needs "new faces" in power.

Mostar was placed under European Union administration for two years in July 1994.

A European commission spokesman said Thursday [22 February] that the commissioner charged with eastern Europe, Hans van den Broek, would request that a decision to extend the Mostar mandate be deferred when EU foreign ministers meet in Brussels on Monday.

European Union offices in Mostar were attacked in early February and Koschnick threatened by Bosnian Croats upset at plans to open a common area between Moslems and Croats in the ethnically divided city.

Since then, tensions have calmed somewhat, with Moslems and Croats moving between the eastern and western sides of the river that divides Mostar's two principal ethnic groups.

Croats and Moslems fought a fierce war in 1992-93.

The peaceful cohabitation of Mostar is seen as a vital test to the Moslem-Croat Federation that is a cornerstone to the US-brokered Dayton peace accords for Bosnia-Herzegovina.

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B-H: IFOR: Serb Police Hindering Freedom of Movement

AU2602095096 Paris AFP in English 0929 GMT 26 Feb 96

[Report by Mark Rice-Oxley]

[FBIS Transcribed Text] Doboj, Bosnia-Herzegovina, Feb 26 (AFP)—More than two months after Bosnia's peace treaty was signed, Bosnian civilians are still not able to move around at will in the country, despite efforts to enshrine freedom of movement at the heart of the Bosnian peace process.

Spokesmen of the NATO-led peace Implementation Force (IFOR) and Bosnian civilians interviewed here this weekend said local police were presenting a major obstacle to freedom of movement.

"There is nothing like freedom of movement at several police checkpoints" in northern Bosnia, IFOR spokesman Artur Golawski told AFP Monday [26 February], adding that civilians wanting to cross the zone of separation to see relatives on the Serb side were frequently being turned back in droves.

"We hear for example that Serb police are taking the passports of people crossing over, and without their passports it is impossible for them to carry on" into Doboj, Golawski added.

At one of the checkpoints in question, just to the east of this northern Bosnian town, IFOR soldiers on the ground said that hundreds of civilians wanting to see relatives in Doboj were turned back over the weekend.

"Freedom of movement is not working," Danish Sergeant Carsten Meyer told AFP. "The (Serb) police won't let people through" to visit relatives on the other side.

Freedom of movement for civilians is not only a cornerstone of the Dayton peace accords, but is also a pillar of the new Bosnian constitution. Under the Dayton accord, the country is divided into two roughly equal entities, the Moslem-Croat federation and the Serb Republic.

Blocks on freedom of movement are seen as a potentially dangerous precedent which could contribute to a de facto partition of the former Yugoslav republic.

But an overwhelming fear of spurious arrest and interrogation means, that though it might be there in theory, freedom of movement is not working in practice.

Ruza Milinkovic, who had left Serb-controlled Brcko in northern Bosnia to meet friends by the side of the road in the zone of separation in Doboj, was aware of the problem.

"People are still afraid of going to Brcko," said

A Moslem in Doboj agreed.

"We would be at least interrogated, if not arrested, if we went into the Brcko," Muhamed Kovacevic said. Instead of running the risk, Kovacevic preferred to arrange to meet his son, whom he had not seen for four years, in a muddy layby in the zone of separation.

"There is no freedom of movement at all," Kovacevic said. "This is the only place we can meet each other."

IFOR spokesmen in Doboj agreed that the police present the biggest obstacle to freedom of movement.

Major Terje Myklevoll pointed out that the slow deployment of a UN police force, which is meant to monitor and advise Bosnia's police forces, had left local officers open to act without restraint.

"There are too few (UN) police to fullfil the task in the area," Myklevoll told AFP.

Because of this combination of factors, the flow of people venturing back to visit friends and relatives or view property they were forced to abandon during the three and a half year war has been a trickle rather than a torrent.

"I just want us all to be able to live together again," said a woman from Brcko who would only identify herself as Nevrasa. "But we don't know where we're allowed to go. No one does what the Dayton agreement says they should."

B-H: IFOR, Serb Army Generals Discuss Peace Process

AU2302173396 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 23 Feb 96

[FBIS Translated Text] IFOR Command and the Serb Republic Army have resumed contacts. This was confirmed by today's meeting in Banja Luka between General Michael Jackson, commander of the sector South-West, and Gen. Momir Talic, commander of the 1st Krajina Corps. Branislav Bozic has the details:

[Bozic] So far, there have been no serious problems in this sector that would threaten the implementation of the military part of the peace agreement, and we today achieved very specific agreement about further tasks, British Gen. Michael Jackson, commander of IFOR Sector South-West, said. Pointing out that the main subject discussed was the zones of Mrkonjic Grad and Sipovo, which were given to the Serb Republic, Gen. Jackson said that units of the Serb Republic Army will also be able to return to this territory after 20 March.

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B-H: IFOR: Serb Police Hindering Freedom of Movement

AU2602095096 Paris AFP in English 0929 GMT 26 Feb 96

[Report by Mark Rice-Oxley]

[FBIS Transcribed Text] Doboj, Bosnia-Herzegovina, Feb 26 (AFP)—More than two months after Bosnia's peace treaty was signed, Bosnian civilians are still not able to move around at will in the country, despite efforts to enshrine freedom of movement at the heart of the Bosnian peace process.

Spokesmen of the NATO-led peace Implementation Force (IFOR) and Bosnian civilians interviewed here this weekend said local police were presenting a major obstacle to freedom of movement.

"There is nothing like freedom of movement at several police checkpoints" in northern Bosnia, IFOR spokesman Artur Golawski told AFP Monday [26 February], adding that civilians wanting to cross the zone of separation to see relatives on the Serb side were frequently being turned back in droves.

"We hear for example that Serb police are taking the passports of people crossing over, and without their passports it is impossible for them to carry on" into Doboj, Golawski added.

At one of the checkpoints in question, just to the east of this northern Bosnian town, IFOR soldiers on the ground said that hundreds of civilians wanting to see relatives in Doboj were turned back over the weekend.

"Freedom of movement is not working," Danish Sergeant Carsten Meyer told AFP. "The (Serb) police won't let people through" to visit relatives on the other side.

Freedom of movement for civilians is not only a cornerstone of the Dayton peace accords, but is also a pillar of the new Bosnian constitution. Under the Dayton accord, the country is divided into two roughly equal entities, the Moslem-Croat federation and the Serb Republic.

Blocks on freedom of movement are seen as a potentially dangerous precedent which could contribute to a de facto partition of the former Yugoslav republic.

But an overwhelming fear of spurious arrest and interrogation means, that though it might be there in theory, freedom of movement is not working in practice.

Ruza Milinkovic, who had left Serb-controlled Brcko in northern Bosnia to meet friends by the side of the road in the zone of separation in Doboj, was aware of the problem.

"People are still afraid of going to Brcko," said

A Moslem in Doboj agreed.

"We would be at least interrogated, if not arrested, if we went into the Brcko," Muhamed Kovacevic said. Instead of running the risk, Kovacevic preferred to arrange to meet his son, whom he had not seen for four years, in a muddy layby in the zone of separation.

"There is no freedom of movement at all," Kovacevic said. "This is the only place we can meet each other."

IFOR spokesmen in Doboj agreed that the police present the biggest obstacle to freedom of movement.

Major Terje Myklevoll pointed out that the slow deployment of a UN police force, which is meant to monitor and advise Bosnia's police forces, had left local officers open to act without restraint.

"There are too few (UN) police to fullfil the task in the area," Myklevoll told AFP.

Because of this combination of factors, the flow of people venturing back to visit friends and relatives or view property they were forced to abandon during the three and a half year war has been a trickle rather than a torrent.

"I just want us all to be able to live together again," said a woman from Brcko who would only identify herself as Nevrasa. "But we don't know where we're allowed to go. No one does what the Dayton agreement says they should."

B-H: IFOR, Serb Army Generals Discuss Peace Process

AU2302173396 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 23 Feb 96

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This was confirmed by Gen. Momir Talic, 1st Krajina Corps commander. Apart from this, the two also talked about the possibility of IFOR using its authority to try to obtain the release of a large number of Serb Republic Army fighters who are currently in Croat and Muslim prisons.

According to the two generals, the greatest problem is removing the mines. Three British soldiers and one civilian, a returnee to Mrkonjic Grad, have been killed trying to do that. Because of this, the generals issued a joint appeal to the population to take all security precautions because the mines really represent a serious problem.

B-H: Serb Civic Council Airs Complaints to Christopher

LD2502203996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 25 Feb 96

[FBIS Translated Text] The Serb Civic Council has sent a letter to U.S. Secretary of State Christopher, which says that the implemenation of the peace accord for Sarajevo is one of the most important factors for the reintegration of Bosnia-Herzegovina and for the safeguarding of its statehood. The Serb Civic Council says in the letter that, in the implemenation of the Dayton agreement concerning Sarajevo, certain things have recently happened that run contrary to its basic principles.

The Serb Civic Council letter addressed to Warren Christopher continues:

During the gradual handover of four Sarajevo municipalities—Ilidza, Ilijas, Vogosca, and Hadzici—and the suburb of Grbavica to Bosnia-Herzegovina Federation control, those parts of Sarajevo are being pratically ethnically cleansed. Under pressure from the Pale authorities, the Serbs are being pushed into an exodus of the worst kind, they are forced to abandon and burn their own houses and homes and to go into the unknown, to abandoned and already looted houses belonging to Bosniaks and Croats, to the parts of Bosnia- Herzegovina which the Karadzic Serbs have already ethnically cleansed.

Warmongers who have already committed a crime are committing a new one now, this time against their own people.

Unfortunately, the international community, as in the case of Srebrenica earlier, is quietly watching this tragedy and the final stages of the ethnic divisions of Bosnia-Herzegovina.

We believe that the United States of America and the Federation institutions cannot do much more [as heard] to stop this exodus and to safeguard the multinational character of Sarajevo.

In connection with this, it is necessary to ensure firm guarantees to all those who wish to return to their estates and their homes, guarantees for secure life to those who remained behind in these areas, and guarantees that war criminals will be punished for what they did in this war and what they are doing now, in peace.

In this context the Serb Civic Council demands the introduction of an international arbitration for the protection of human rights of civilians in Sarajevo who are subjected to persecution. If the measures of both the international community and the federation institutions do not guarantee the protection of citizens wishing to stay in these areas, unforeseable consequences for the multinational structure of Sarajevo and the political future of Bosnia-Herzegovina could ensue.

In our view, the efforts made so far by the Federation institutions, the media, and political parties have been inadequate.

According to the Serb Civic Council's information, most citizens who lived before the war in these Sarajevo suburbs wish to remain in their houses and apartments. The Pale authorities, through political manipulation and the policy of ethnic cleansing, are continuing to frustrate these wishes.

B-H: Karadzic Appeals to Diaspora Serbs for Refugee Aid

LD2502223096 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 25 Feb 96

[FBIS Translated Text] Serb Republic President Radovan Karadzic today sent an appeal to the Serbs in the diaspora for aid for Serb refugees. Assessing that the war is evidently over and that the Serb Republic—the youngest Serb state—has finally been recognized, President Karadzic warns that the Serb Republic is facing a hostile environment and an uncertain and hard peace.

President Karadzic says that the most critical thing at the moment is the future and accommodation of the citizens of Serb Sarajevo. Because of the transfer of authority from Serb Republic bodies to the Muslim-Croat Federation, the majority of Sarajevo Serbs are already leaving their homes, apartments, and estates. Unless we manage to provide them with some sort of accommodation in the territory of the Serb Republic and conditions to build their homes in some new place, they will face a hard and uncertain future as emigrants, the president of the Serb Republic says in his appeal to the Serbs in the diaspora. He adds that the Serb Republic

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is threatened with losing its most precious people who have defended and saved freedom.

In conclusion, President Karadzic tells the Serbs all over the world that in this noble way—by giving donations for the reconstruction and building of homes for the evicted Serb population—they will become the first builders of the youngest Serb state in the most concrete terms and also symbolically.

B-H: Serb Minister Questions Return of Croats, Muslims

LD2502221996 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 25 Feb 96

[FBIS Translated Text] The second mass transfer of Serb population in less than a year began in the wake of the signing of the Dayton agreement. Apart from the Serbs from Sarajevo, whose exodus is reaching its climax, around 28,000 refugees have been registered in northern parts of the Serb Republic over the past few days.

[Begin recording] [Milan Ninkovic, Serb Republic defense minister, identified by caption] Over 17,000 Serbs have moved out of the municipality of Vukosavlje [Odzak]. They moved to parts of the municipality of Modrica and neighboring municipalities—around 10,000 Serbs have moved to the municipality of Brcko. Ethnic cleansing has not only been carried out in Vukosavlje, but also in Srbinje, the municipality of Olovo, the municipality of Konjic, and Borci—around 27,500 Serbs, in addition to the Serbs from Sarajevo, have moved. I think that at least 10,000 Serbs have already moved out of Sarajevo. However, there is a problem—nobody in the world wishes to speak about this problem and say that ethnic cleansing took place after Dayton in the full view of the entire world.

[Correspondent] Why are the Serbs silent?

[Ninkovic] I do not know. It is believed that the Dayton agreement would be implemented if freedom of movement was permitted. However, the very fact that ethnic cleansing took place means that the return of Croats and Muslims to our territory will, I think, be out of the question. It is evident that ethnic cleansing, i.e., transfer of the Serb population, took place after the Dayton agreement. [end recording]

B-H: Serb Speaker on Departure of Serbs From Sarajevo

LD2402220096 Pale Srpska Televizija in Serbo-Croatian 1930 GMT 24 Feb 96

[Interview with Serb Speaker Krajisnik by unidentified correspondent; place and date not given—recorded]

[FBIS Translated Text] [Krajisnik] We do not wish to exert pressure on anyone to leave if they wish to stay. But we will help all those who wish to leave because they do not feel secure. It is a duty both of the state and of the headquarters in charge of resettlement. Because of bad weather it was difficult to realize all this and there was some confusion. It is easier now, the passage is easier, and I hope the situation will improve. The security of citizens must be guaranteed. We have received assurances that nothing would happen, that the international police would show much more caution and would be more in control than the last few days.

I do not wish to accuse the international community, but the sudden introduction of the international police has contributed to the panic. We cannot excuse the serious ignorance that has had such an influence on morals and security, and have given rise to panic among the citizens. We must confront that problem and solve it as best as we can.

[Correspondent] Let us conclude, Mr. Speaker. Can you tell us when the trucks will start arriving in Vogosca, Ilijas, and other suburbs of Serb Sarajevo and start transporting the people who wish to leave?

[Krajisnik] Tonight General Milosevic...[changes thought] our delegation asked him to talk to the Implementation Force representatives, to talk over all the details. I hope the trucks will start arriving tomorrow. Of course, military trucks will be engaged. I am glad that this possibility has been realized, because army trucks will be more orderly. Of course, they will transport free of charge. We will have strict control over other trucks and ensure that they do not charge for transport because nobody can pay. We are talking about a very vulnerable segment of population, people who have no money. No one has the right to charge for transport.

B-H: Karadzic on Delaying Handover of Sarajevo Suburbs

AU2302185796 Banja Luka Srpska Televizija in Serbo-Croatian 1930 GMT 22 Feb 96

[FBIS Translated Text] Let us hear what President Karadzic told our correspondents about the exodus of the Sarajevo Serbs.

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[Karadzic] Not only did the international community fail to provide guarantees for individual and collective rights of the Serbs in Serb Sarajevo, which was allocated to the Muslim-Croat federation under the Dayton accord, but even rushed, partially and gradually, the transfer of Bosnia-Herzegovina Federation political forces into the area. [sentence as heard] The international community led to the decision of the majority of Serb Sarajevo inhabitants to move out, and the international community is fully responsible for it. We will provide, and efforts will be made by the entire state, the ministry of the interior, the refugee ministry, and all other ministries, unobstructed resettlement of the Sarajevo Serbs who wish to leave the city and will find temporary accommodation for them until they can start building houses here. We are very determined to distribute some 20,000 plots of land intended for building family houses, very good houses and villas, and we will, of course, build apartment blocks. However, our most urgent task at this point is to provide security for the Sarajevo Serbs who are leaving the city. For those who wish to exhume their dead heroes from their graves, even family graves, we have provided room in Pale, and even in Sokolac. There will be a military cemetery in Pale with an adjoining memorial church, while we will distribute everything else to town cemeteries. We demand that the international community give us a transitional period in which IFOR [Implementation Force] and our police will be in charge of security, without checkpoints, with full freedom of movement, providing safety for all Serbs who wish to leave. The Muslim-Croat authorities can expand into those parts only after the process of resettlement of population is completed. Serbs who wish to accept the Croat-Muslim authorities can do so, but those authorities cannot establish themselves until the process of state-organized resettlement of the Sarajevo Serbs is completed.

B-H: 'Solid Guarantees' for Sarajevo Serbs Urged

LD2402212696 Belgrade TANJUG in English 1906 GMT 24 Feb 96

["Pool" item by TANJUG diplomatic editor Zoran Jevdjovic]

[FBIS Transcribed Text] Belgrade, Feb. 24 (TANJUG)—The situation in the Serb part of Sarajevo, which can hardly leave anyone indifferent, is one of the expected difficulties in the process of restoring peace in Bosnia after three and a half years of war.

Efforts are therefore needed to calm down the situation, and they should be made not only by external factors but primarily by the leadership of the Republika Srpska (Bosnian Serb Republic), the Serb entity in Bosnia. Efforts should be directed toward solid guarantees for the Sarajevo Serbs.

Leaving Sarajevo, which is to come under the rule of the Muslim-Croat Federation, can hardly bring any good to the local Serbs, who are unfortunately abandoning their homes and moving out in columns through the snow-capped mountains around the city.

On the other hand, there are reasons and arguments showing that this is not their only choice.

Over the past few months, there has been an intensive diplomatic and political activity aimed at finding a compromise solution which will open a path to peace through agreement of all interested sides in Bosnia and abroad.

Agreement means compromising, which is unfortunately often very painful. However, bearing in mind the situation in the past, much has been done to ensure solutions that would guarantee an end of war and better and safer future for the people exhausted by years of conflicts.

The problem of Sarajevo Serbs should be viewed in this context. In the interest of the people living in the communes that are coming under the Muslim-Croat rule, a new atmosphere should be created to make it possible for them to decide where they want to live without fear and according to their own private interests.

This would help reduce tension and create better conditions for implementing the Dayton agreement.

This would also make possible for the people to stay in their homes and secure future presence of Serbs in the region where they had lived for centuries.

A decision to stay, of course, is not an easy one to make. Incidents are possible, and they may be accidental as well as provoked by those who hope for a deterioration of the situation rather than for its stabilization. It is clear, however, that the major international and domestic factors are interested in settling the problem of Sarajevo in the most satisfactory way possible.

We should therefore trust that the international guarantees given to the Sarajevo Serbs who wish to stay in the city are solid, and that everything will be done to ensure their full respect.

Various efforts have been made since Dayton to secure those guarantees, and statements made from the highest levels should by no means be ignored or underestimated.

The meeting in Rome last weekend brought new assurances about firm plans to secure a life in dignity and justice for the Sarajevo Serbs.

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After the meeting, the Bosnian Serb prime minister said that local Serbs would have the right to participate in local bodies and that, in this respect, the number of Serbs who had lived in the city before the civil war would be relevant.

As many Serbs have already moved out of Sarajevo, this will evidently be an important factor in securing them in the future.

The Bosnian Serb leadership should therefore make efforts on its own part to help overcome the atmosphere of uncertainty.

Sarajevo Serbs need help in adjusting to the new situation, instead of packing up their few belongings and chosing an uncertainty that is greater than the uncertainty of staying.

Their position should be considered within the framework of the entirety of the Dayton agreement. The Serbs' safety in Sarajevo will be guaranteed primarily by a speedy normalization of the situation and an overall strengthening of the Bosnian Serbs position, rather than by an exhaustion through an endless chain of conflicts.

People in Sarajevo communes which are coming under the control of international forces and the Muslim-Croat Federation on March 19 need help to make a rational decision, fully aware of their own interests and the situation.

[Words indistinct] among the population is in the interest of some [words indistinct] which manipulate the situation. Least of all, such fear should be instigated by moves from Pale.

Sarajevo Serbs may have reasons for caution, but there should be no reason for fear.

B-H: Pale, Sarajevo Blamed for Recent Exodus of Serbs

LD2402182596 Belgrade TANJUG in English 1803 GMT 24 Feb 96

["Pool" item by Stevan Cordas]

[FBIS Transcribed Text] Geneva, Feb 24 (TANJUG)—Both the Serb authorities in Pale and the Muslim authorities in Sarajevo are responsible for the latest exodus of Serbs from Sarajevo suburbs, above all Vogosca, diplomatic sources in Geneva said Saturday.

This view differs from the statement issued Friday by the U.N. High Commissioner for Refugees [UNCHR] which blames in unusually strong terms—'political manipulation'—only the authorities of Republika Srpska [RS] (Bosnian Serb entity) for the exodus of Serbs.

The bitterness of UNHCR can be understood to a certain extent as under the Dayton accord for Bosnia, this humanitarian organization is entrusted with the principal role in organizing the large-scale repatriation of about two million refugees and displaced persons.

Now that preparations for repatriation are nearly completed, another exodus is the worst that could happen, but has nevertheless become a reality.

According to the latest statements of the high representative of the international community for Bosnia Carl Bildt, the responsibility for the exodus of Serbs from Sarajevo lies mainly with the authorities in Pale (RS administrative center), but also with the Muslim authorities in Sarajevo as they should—and could—have done much more to alleviate the fears of the Serb population.

Muslim and Croat police which entered Vogosca Friday [23 February] did nothing to create an atmosphere of trust and safety, but precisely the contrary, as confirmed by the UNHCR spokesman in Sarajevo Chris Janowski.

As soon as they enter the center of Vogosca, the Muslims raised their flag, which is not a symbol of the Muslim-Croat Federation.

The Muslims are not trying to prevent the Serbs from leaving. They are only pouring oil on the fire, diplomatic sources in Geneva said.

U.N. responsibility cannot be disregarded either. An observer said Friday at a press conference at the Palace of Nations that it was difficult to understand the U.N. slowness in completing the international peace force in Bosnia.

The absence of an international police force is the reason why the Serbs in Sarajevo suburbs are afraid since they do not trust the Muslim police, some U.N. officials said.

B-H: EU Official Views Behavior of Police in Vogosca

AU2402220796 Vienna Oesterreich Eins Radio Network in German 1100 GMT 24 Feb 96

[Report by Christian Lininger, including statements by Ambassador Michael Steiner, Carl Bildt's deputy as coordinator of the civilian part of the international Bosnia mission—recorded]

[FBIS Translated Excerpt] [Lininger] A few hours after the arrival of some 30 policemen from the Croatian-Muslim Federation in Vogosca, the first complaints about the police's behavior reached the United Nations and NATO. In fact, the policemen did not attack the approximately 2,500 Serbs still living in Vogosca, but, according to the UNHCR, some carried out patrols and

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searches at their own initiative, in spite of the fact that agreement had been reached that the Federation policemen should only carry out patrols together with UN policemen or NATO soldiers. Michael Steiner, Carl Bildt's deputy as coordinator of the civilian part of the international Bosnia mission, familiarized himself with the situation in Vogosca yesterday.

[Steiner] The policemen arrived, and the first thing they did—contrary to all agreements—was to try and throw out the mayor. As far as the flag of the Serb Republic is concerned, which naturally does not belong there, one can remove it or tear it down and trample on it in the snow. This is exactly what happened—before the eyes of the Serbian population, before the Serbian cameras. You can imagine what a disastrous effect this has on those who are still thinking about staying in the town.

[Lininger] According to initial estimates by the United Nations, approximately 2,500 Serbs have not fled but remained in Vogosca. A much larger number, however, has left the small town on the outskirts of Sarajevo. Partly they believed the propaganda of the Bosnian Serbs who told them that life in the Muslim-Croatian Federation is impossible and even dangerous, UN spokesmen and Michael Steiner believe. Yet the Bosnian Government, too, has not done enough to allay the fears of the Serbs, Steiner stated.

[Steiner] The problem in Sarajevo was that one should have tried to work against the Balkans tradition, according to which the population simply leaves a region if it is seized by another force. The Federation should have sent the right signal on a daily basis—that nothing will happen to the Serbs, that the Serbs do not have to be afraid that they will be second-class citizens once the police and the authorities of the Federation arrive. It is true that these signals were sent, but always too late and in too subdued a manner, and not with the required clarity. Thus, the ideological propaganda from Pale, which continues to influence people, was not opposed. [passage omitted]

B-H: Police Do Not Impede Serb Departure From Vogosca

LD2302144696 Belgrade SRNA in Serbo-Croatian 1355 GMT 23 Feb 96

[FBIS Translated Text] Sarajevo, 23 Feb (SRNA)—The Muslim police, who entered the Vogosca municipality at 0600 this morning without any incidents, have done nothing to impede the evacuation of Serbs from this suburb.

The people who arrived in Ilidza from Vogosca today said that a large group of Serbs gathered outside the Vogosca municipal building and demanded trucks to take them from this part of Sarajevo and to carry their property. According to these witnesses, there was no reaction from the Muslim police to these events.

The Serbs from Vogosca said that a number of houses were burning in this part of Serb Sarajevo. They were set on fire by their owners.

IFOR [Implementation Force] Colonel de la Porte is due to visit Vogosca and Ilijas at about 1400, according to sources close to IFOR.

B-H: Koljevic, UN Envoy Discuss Vogosca Problems

LD2602172396 Belgrade SRNA in Serbo-Croatian 1232 GMT 26 Feb 96

[FBIS Translated Text] Sarajevo, 26 Feb (SRNA)—Dr. Nikola Koljevic, vice president of the [Bosnian] Serb Republic [RS], and Iqbal Riza, the UN secretary general's special envoy for Yugoslavia, met in Pale today for talks on incidents during the recent entry of Muslim police into the Sarajevo suburb of Vogosca, which until recently was under Serb control.

Riza warned that there is fear and a feeling of insecurity among the Serb population of Sarajevo and expressed hope that mistakes committed in Vogosca will not be repeated during the transfer of power in Ilijas and other Serb municipalities.

"We must allow the Sarajevo Serbs to decide on their own fate, without pressures and propaganda, and to respect their decision. We want as many Serbs as possible to remain in Sarajevo but the decision must be theirs," Butrus-Ghali's envoy said.

According to Dr. Koljevic, the main problem during the transfer of power in Vogosca was the inadequate number of UN policemen, who could not control the Muslim police.

He said that the example of Vogosca was a bad one. He added that representatives of the international community have shown signs of goodwill to improve the situation and that they are prepared to seriously look into the problems of Sarajevo Serbs.

According to the RS vice president, the Serb side is prepared to help in the implementation of the Dayton agreement to ensure that the transfer of power in Sarajevo is carried out in a more civilized way.

The meeting also raised the issue of the media war. Until it ends, there will be no end to the conflict in former Bosnia, Dr. Koljevic warned.

"It is in the interest of peace to ensure that our media do not use the mildest of insults and that they continue to show concern for others, unlike the Muslim media

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that cannot be controlled even by the international community," the RS vice president said.

The meeting was also attended by Dr. Aleksa Buha, RS minister of foreign affairs, and Rajko Koprivica, president of the Vogosca municipal assembly.

B-H: Hebib on Vogosca Situation, Guarantees for Serbs

LD2402000196 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 2135 GMT 23 Feb 96

[FBIS Summary] In a recorded 17-minute interview by an unidentified correspondent, Avdo Hebib, Bosnia-Herzegovina Federation minister of internal affairs, describes his impressions upon visiting Vogosca on the morning of 23 February, and discusses the composition of the police force that entered Vogosca. He says: "I am saying here with full responsibility that our police, irrespective of the national structure of Vogosca, Ilijas, Hadzici, Ilidza, and other places, will discharge their duties professionally, regardless of the national structure of the population or my police. We shall attempt to observe all the agreements in order to implement fully what has been agreed."

He speaks of the need for the Sarajevo refugees to be patient, saying that they cannot return to their homes until the Vogosca area has been cleared of mines.

On his encounter with Serb citizens in Vogosca, he says:

"The Pale propaganda has really done something inhumane, inhuman, inappropriate—they simply intimidated the people as if some murderers, cut-throats were coming. We spoke with the people completely normally—we gave them maximum guarantees for their security. All those whose hands are not stained with blood and all those who are not going to be called to account can stay in their apartments. As I said, there can be no tolerance for all those who can be tried as criminals, because no legal system would allow it. Citizens whose hands are not bloodstained, innocent population who lived there—we shall assume responsibility for their safety. Therefore, I drew the attention of some of their officials whom we met over there to the fact that they have to leave the area, because we shall assume responsibility for the security both of our citizens who are going to return to their apartments in Vogosca and of the security of citizens of Serb nationality who have remained there and wish to live in their apartments, houses, and so on. We must take responsibility, because we are police of a law-governed state, an internationally recognized state."

Hebib describes the situation which he witnessed this morning as Serb buses were leaving Vogosca. He concludes by outlining the schedule for the takeover of other Serb Sarajevo municipalities.

B-H: Amnesty Bill Adopted in Line With Dayton Accord

LD2302191696 Belgrade SRNA in Serbo-Croatian 1520 GMT 23 Feb 96

[FBIS Translated Excerpt] Sarajevo, 23 Feb (SRNA)—At a regular session today, the government of the Serb Republic adopted a bill on amnesty which envisages two forms of amnesty—suspension of criminal proceedings and early release—for a large number of criminal offenses.

In the process of drawing up the bill it was taken into consideration that the Serb Republic is bound by the Dayton agreement to grant amnesty to persons who committed certain criminal offenses.

Persons who committed criminal offenses of a political and military nature will be granted an amnesty for the sake of lasting peace and resumption of talks between the signatories of the Dayton agreement, it was said at the government session. [passage omitted]

At today's session, the government also adopted a draft decision on setting up offices of the Serb Republic in Belgrade and Podgorica, which will be attached to the Ministry of Foreign Affairs.

Government members elected Dragisa Mihic assistant minister of internal affairs and Danilo Topic assistant minister of protection for war invalids.

The second part of the session was attended by Serb Republic President Radovan Karadzic and Momcilo Krajisnik, speaker of the Serb Republic Assembly.

B-H: Amnesty for Soldiers Effective 24 Feb

AU2402150996 Paris AFP in English 1254 GMT 24 Feb 96

[FBIS Transcribed Text] Sarajevo, Feb 24 (AFP)—An amnesty for all Moslem, Serb and Croat soldiers who took part in the Bosnian conflict, except those considered guilty of specific war crimes, came into effect across Bosnia Saturday [24 February].

The amnesty became effective when the law introducing it was published in the Official Journal of the Republic of Bosnia-Herzegovina Saturday morning, officials at the journal's office said.

Under the terms of the law, ratified by the Bosnian parliament on February 12, the amnesty covers all those who fought in Bosnia's three armies—the mainly

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Moslem government forces, the rebel Bosnian Serb army and the Bosnian Croat militia.

The only ones not covered by the amnesty are those who committed war crimes as defined by the International War Crimes Tribunal for the former Yugoslavia.

The law is particularly important for the transfer of authority between the rebel Serbs and the government forces in the Sarajevo suburbs.

Thousands of Serbs have left five districts around Sarajevo that will revert fully to the government on March 19. Many of those who have left are Serb men who feared that they would be prosecuted for having fought in the Serb army.

Under the Dayton peace accord that ended almost four-year long Bosnian war, Bosnia is divided roughly in half between the Moslem-Croat Federation and the Serb Republic.

B-H: IPTF Deployment Delay Disappoints UN's Annan

AU2202152496 Paris AFP in English 1417 GMT 22 Feb 96

[Report by Mark Rice-Oxley]

[FBIS Transcribed Text] Tuzla, Bosnia-Herzegovina, Feb 22 (AFP)—The United Nations is disappointed with the slow deployment of an international police force due to oversee key civilian aspects of the Dayton peace accords, the top UN official in former Yugoslavia said Thursday [22 February].

Outgoing UN Special Representative to former Yugoslavia Kofi Annan told journalists here he was "disappointed" with delays in the deployment of the force, and that the United Nations was pressuring member nations who pledged personnel to honour their commitment.

"I am disappointed (because) the police have a crucial role to play (in the Bosnian peace process) and we would like to see them deployed as quickly as possible," Annan said.

"But once again we are in the hands of the member states," the Ghanaian envoy added. "The pledges have been made, but they have not deployed them as fast as we would have liked."

Annan was speaking on the last day of his four-month tenure as UN special representative. His successor will be Pakistan diplomat Iqbal Riza.

With the relatively successful implementation of military requirements of the Dayton peace accords, the focus has switched to civilian aspects of the settlement, and in particular the establishment of effective law enforcement agencies.

But the continuing feuding between various police factions in parts of Bosnia and the general lack of confidence in often suspect forces has further highlighted the need for the International Police Task Force (IPTF) to turn Bosnia's police into fair and effective units.

The IPTF, mandated by the UN Security Council, is due to comprise 1,700 officers from 12 countries, who were to have deployed speedily in Bosnia to train, assist and supervise the forces, monitor law enforcement activities and act as advisors.

But so far Annan said the combination of a lack of political will, shortage of money and overall lack of manpower in the contributing nations had prompted frustrating delays.

"We are putting pressure on the governments and encouraging them to deploy the police as quickly as they can," Annan said. "But the fact is the governments have not released them."

As a result, so far, only a fraction of the international force has been deployed. In the Tuzla region alone, just 53 of a planned 350 police have arrived.

Annan said that preparing police for the specific requirements in Bosnia was also delaying the deployment. Police trained for service in their own countries would have to undergo extensive retraining to perform the tasks required in Bosnia.

He added that some governments were finding it difficult to "free their policemen to take on assignments elsewhere."

The French government, for example, has pledged 100 policemen, which Annan said was "quite a major sacrifice given what was happening in France with the strikes and other things at the time" of the pledge.

The IPTF contributors are Bangladesh, Denmark, Finland, France, Ireland, Jordan, Kenya, Netherlands, Norway, Russia, Senegal and Sweden, and their officers are to be spread around as many as 40 offices across Bosnia.

Annan was due to leave Tuzla later Thursday for Zagreb, before returning to UN headquarters in New York.

Riza, his successor as UN special representative, will also take on the additional task of UN coordinator in Bosnia-Herzegovina with special responsibility for the UN police force.

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B-H: 10,000 in Banja Luka Support Karadzic, Mladic

LD2302200196 Belgrade SRNA in Serbo-Croatian 1730 GMT 23 Feb 96

[FBIS Translated Text] Banja Luka, 23 February (SRNA)—At today's meeting of support for Radovan Karadzic, the president of the Serb Republic, and General Ratko Mladic, commander of the General Staff of the Serb Republic army, it was said that "the Serb people will not at any price allow the Hague tribunal to pass sentences on their legitimate representatives."

"The Serb people are ready to support all peace initiatives, but not at the price of sacrificing the best sons of the Serb Republic and arresting innocent people," said Banja Luka Mayor Predrag Radic addressing 10,000 residents of this town.

According to the chairman of the Banja Luka municipal committee of the Serb Democratic Party, "The Serbs must protect their representatives and must not allow foreigners to pass sentences on them or on any other nation in the world."

The chairman of the committee for protection against the Hague tribunal, Belgrade journalist Dragos Kalajic, said that the "Americans set up the international tribunal in The Hague in order to create the greatest confusion possible, because this town already has its court of justice."

Kalajic warned that The Hague "deliberately omitted to bring charges against persons who committed crimes against peace, since in that case not only Tudjman and Izetbegovic would have to appear, but also all those world politicians who had backed the Muslim and Croatian secession, aggression, and war preparations."

Telegrams of support for Karadzic and Mladic were today sent by the Serbian Radical Party, the Serbian Patriotic Party, the Nikola Pasic Radical Party, the Party of Serbian Orthodox Harmony, the Party of Serbian Unity, and the Association of Serbs from Novi Sad.

B-H: 'Text' of 'Investigation' of Serb Officers Published

AU2402185996 Sarajevo VECERNJE NOVINE in Serbo-Croatian 16 Feb 96 p 4

[Report by Resad Ljubovic: "Colonel's Armor for The Hague"]

[FBIS Translated Text] With the wish to satisfy the huge interest of the public, VECERNJE NOVINE is publishing the original text—with necessary abridgements—of the Decision on the Investigation Carried Out Against Lieutenant General Djordje Djukic and Colonel Aleksa Krsmanovic, both of the so-called Army of the Serbian Republic, which has been issued by the Sarajevo Appellate Court (Izet Bazdarevic signed as the investigative judge) upon a request of the Higher District Attorney's Office.

This basic act is one of the documents that the International War Crimes Tribunal in The Hague relies on in its procedure.

It is stated in the text, among other things, as follows:

Decision on the Investigation Carried Out Against the Indicted

1. Djordje Djukic, son of Steva and mother Boja nee Ragulj, born on 8 March 1934 in the village of Petrovo Vrelo, community of Glamoc, widower, resident of Lenjinov Bulevar 151, Belgrade, with temporary residence in Han Pijesak, an active Federal Yugoslav Army officer holding the rank of lieutenant general and performing the function of head of the Federal Secretariat of National Defense, and presently the deputy rear headquarters commander of the Army of the Serbian Republic General Staff, in pretrial confinement since 4 February 1996;

2. Aleksa Krsmanovic, son of Ilija and mother Kosa nee Zoranovic, born on 5 September 1943 in the village of Bijele Vode, community of Sokolac, married with two children, until the war a resident of O. Maslic Street 4a/V, Sarajevo, presently resident of Sokolac, a Yugoslav Army member holding the rank of colonel, presently performing the duty of deputy rear headquarters commander of the Sarajevo-Romanija Corps of the Army of the Serbian Republic, with the completed Air Force Technical Academy, in pretrial confinement since 4 February 1996 because they are suspected of having participated on the side of the terrorist SDS [Serbian Democratic Party] in the planned, systematic, and organized extermination of a group of Muslim nationality members, which is contrary to international law regulations, the stipulations of Article 3, Paragraph 1, Point 1 of the Geneva Convention on the Protection of Civilians in War, since Djordje Djukic—as a former Yugoslav People's Army general, who had performed the function of the head of the Technical Department at the Federal Secretariat of National Defense until the beginning of the war and who, after he was transferred in mid-April 1992 by the highest-level leadership of the Socialist Federative Republic of Yugoslavia and the Yugoslav People's Army General Staff in the same rank to the General Staff of the so-called Army of the Serbian Republic to perform the function of deputy rear headquarters commander—carried out orders issued by the highest-level leadership of the so-called Serbian Republic and by the commander Ratko Mladic, by planning,

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ordering, and approving of the acquisition and supplies of weapons and technical equipment. These included ammunition for all kinds of weapons and appliances, especially forbidden chemical weapons, modified weapons of high destructive power—aircraft bombs, to all units of the Army of the so-called Serbian Republic and the Serbian Krajina, which participated in operations on the territory of the Republic of Bosnia-Herzegovina, to the units of the Yugoslav Army and paramilitary units, by planning and ordering the deployment of subordinate units with the aim of performing combat activities, in order to create an ethnically clean territory by destroying and expelling Muslims and Croats and to enable undisturbed performance of the following tasks: Killing of civilians, threatening them with the aim to force them to move out, destruction of their possessions, taking away the property of the population also in cases when this was not a military necessity, thus contributing to a large-scale destruction in the territory of the Republic of Bosnia-Herzegovina, which caused the death of more than 250,000 citizens of the Republic of Bosnia-Herzegovina;

Aleksa Krsmanovic—who as a colonel of the former Yugoslav People's Army was employed with the 4th Corps of the 1st Military Region until the beginning of the war and who was during the war appointed deputy commander of the Sarajevo-Romanija Corps upon an order of the Yugoslav People's Army General Staff—carried out the orders, issued by the highest-level leadership of the so-called Serbian Republic, he received through the Chief of General Staff of the Army of the Serbian Republic and the commander of the Sarajevo-Romanija Corps, by making proposals for the rear support of offensive activities, among other things with weapons, ammunition for weapons, forbidden ammunition filled with chemical poisons and modified weapons of high destruction power—aircraft bombs, against the Sarajevo civilian quarter of Otes, the civilian quarter of Kotorac, the Lukavac 93 Operation in the territories of Jahorina, Bjelasnica, Treskavica, and Igman, the Pancir 1 Operation in the territories of Nisic and Crna Rijeka, the Pancir 2 Operation in the territories of Vogosca and Radova, the Pancir 93 Operation in the territories of Nisic, Krivojevic and Srednji, the Brugle 94 Operation on the Nisic Plateau, as well as by ordering the deployment of rear units, everything with the aim of creating an ethnically clean territory by destruction and expelling Muslims and Croats, which enabled the undisturbed performance of the following tasks: Killing of civilians, threatening them with the aim of forcing them to move out, destruction of possessions, depriving the population of their property also in cases when this was not a military necessity, by personally participating in destruction activities, by enhancing the effects of artillery attacks, first of all against the city of Sarajevo, so that he is responsible for the death of more than 14,000 civilians, including over 1,500 children, which means that they committed the crime of genocide according to Article 141 and the war crime against the civilian population according to Article 142 of the Penal Code taken over from the Social Federative Republic of Yugoslavia.

Grounds

The Higher District Attorney's Office in Sarajevo submitted a request for an investigation against Djordje Djukic and Aleksa Krsmanovic because there is founded suspicion that they committed the crime of genocide according to Article 141 and the war crime against civilian population according to Article 142 of the Penal Code taken over from the Socialist Federative Republic of Yugoslavia.

The suspicion that the indicted committed the above mentioned crimes is founded, since this arises from the documentation which is enclosed in the file as well as from the partial confession of the indicted.

B-H: Detained Iranian Koranic Group Released by Croats

LD2302230796 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 2030 GMT 23 Feb 96

[FBIS Translated Text] Iranian Koran reciters, who had been detained by hard-line Croat paramilitaries on the basis of a preplanned plot hatched by NATO's multinational forces, were released a few hours ago.

According to the Central News Unit from Sarajevo, the reciters of the holy Koran and the religious chant group for the Islamic Republic of Iran who, at the invitation of the Islamic Society of Bosnia and Herzegovina and Croatia, had travelled to the region in order to perform special programs related to the blessed month of Ramadan, were detained in Jajce by Croat paramilitaries last Sunday afternoon [18 February] when returning from Sarajevo to Zagreb.

After six days in captivity, and following the efforts and activities of our country's embassies in Zagreb and Sarajevo, all the members of this group were freed some hours ago and are presently in good health.

B-H: Iranians Claim Physical, Psychological Mistreatment

AU2402213196 Paris AFP in English 2117 GMT 24 Feb 96

[FBIS Transcribed Text] Zagreb, Feb 24 (AFP)—Nine Iranians released after being held for six days by the

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Bosnian Croat militia (HVO) claimed on their arrival in Zagreb Saturday to have been psychologically and physically mistreated by their captors.

"We have been victims of physical and psychological violence during the entire six days of our detention," said Moshen Mesci, one of the nine, speaking at the Iranian ambassador's residence in Zagreb.

His compatriots, all dressed in green with white pullovers, nodded in agreement.

Asked by an AFP reporter to show bruises, marks, or any other evidence of their alleged mistreatment, all the men refused.

Earlier, an Iranian Embassy official had said the men had been well treated during their detention.

The official, Mohamed Javad Hemat Panah, said Friday [23 February] the Bosnian Croats who made the arrests "realise there was a mistake and that these people are not mujahedeen."

He said the men were in fact part of a popular entertainment group who were touring Moslem countries until they were arrested in Jajce, western Bosnia.

A Croat police officer in Jajce admitted the men were not Islamic guerrillas but insisted "we don't believe they came to Bosnia to organise concerts because they had a large quantity of propaganda material."

"From our arrival (last) Saturday in Jajce (central Bosnia) the Croat police forced us out of the bus and struck us violently on the knees. We showed them our diplomatic passports but the Croats didn't want to know," Mesci said.

Another Iranian, Jamal Kamyab, said the Croat militia "continued their aggression and hit us during interrogation which sometimes lasted more than three hours."

Iran's ambassador to Croatia, Mohammad Javad Asayesh, said his government would "protest to the HVO authorities and demand that this type of excess is not repeated again."

Another detainee, Ahmad Liaii, said the men had not been allowed to change clothes or wash during their detention.

The Croats "told us all the time that they had arrested us at the request of IFOR (the NATO-led peace force)," said Ali Asghar Broumand.

However, IFOR officials in Zagreb said the accusation was "strange."

The group was planning a concert in Zagreb's main mosque on Saturday before returning to Tehran.

B-H: Possibility Seen of Emergence of Radical Islam

LD2502115496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 24 Feb 96

[FBIS Translated Text] Historians with an interest in the region of Bosnia-Herzegovina are aware of its delicately interwoven mosaic of four different societies: Islamic, Catholic, Orthodox, and Jewish. Unfortunately, the latest genocide of Bosniaks in many parts of Bosnia marks the end of a traditional, multicultural Bosnia. This is said by Professor Enes Karic, who has prepared an analysis of the question frequently posed by the Western media: Will the sufferings of the Bosnians result in the emergence of radical Islam in the Balkans?

It should be borne in mind that the potential radicalization, if, God forbid, it ever happens, would develop in two main directions. The first would affect relations among the Bosnian Muslims themselves and the question of what genuine Islam is. Fortunately, for centuries tolerance has reigned among Bosnian Muslims. It is necessary for their politicians, intelligentsia, thinking and leading circles and centers, and above all, their basic institution—the Islamic Community—to make sensible efforts to ensure that the latest horrific genocide does not result in divisions and polarization among the Bosniaks into better and bad, true and untrue Muslims. Bosnia is a European territory and it is very important that for a long time Bosnian Muslims have been adhering to the principle of practicing, preaching, and reflecting Islam in civic society and a civic state. In the European context and at this particular moment, this principle has been useful to the Bosnian Muslims because it ensures that Islam is practiced without pressure from ideological dictate and ideological and political prescription—this is what true Islam is.

In Bosnia, Islam is a treasure belonging to all Bosniaks—a precious treasure on which they have been drawing their religious, cultural, artistic, literary, urban, and architectural inspirations for centuries. This concept of Islam, which the Bosniaks have been practicing for a long time, will ensure that Islam is not hijacked by or becomes an exclusive property of anyone or is used as an instrument of political pragmatism. The Bosniaks must be protected first and foremost from themselves, from the various forms of religious, cultural, and political excommunication.

It is extremely important that the Bosniaks respect and honor their talented members regardless of whether they are top poets, successful actors, playwrights, sharp journalistic minds, theological and philosophical commentators, religious leaders, painters, or leaders of different political parties. In other words, for over a century the

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Bosniaks have enjoyed a consensus on how to practice and preach Islam in a civic state. The state they advocate is not a state that would be chauvinist vis-a-vis one religion and favorable to others. Its laws do not treat religions as recognized or unrecognized, rather, religious rights and freedoms are an unmarked territory—in other words, an infinite universe strengthened by the respect for and practice and protection of human rights and civic freedoms.

What occupies the Bosniak minds nowadays, regardless of whether they are writers or philosophers, politicians or clergy, is efficient [efikasni] Islam, Islam which in this world and especially in this part of Europe will be strong, safeguarded, and respected and, by implication, a living organism.

If we look back over at least the two last centuries of our history, we can see from documents that either the clergy or the Bosnian Muslim intelligentsia have never in their programs tackled the problem of a dignified survival. This in a period in Bosniak existence when history has not been favorable to them. Precisely for this reason, they should have at least predicted, if not prevented, their bitter fate, been more vocal about their position, spread fear of emerging genocidal plans by Serb chauvinist, and built that fear into their education programs.

Now that we know what is hanging over Bosnia's fate, the education of the Bosniaks, especially its antigenocide aspect, is their primary Islamic task. To speak Arabic, English, German, or French; to be a top scientist or write about the fate of Bosnia—for young Bosniaks this should be all part of Islam if the survival of the population is its goal. The 200,000 Bosniak casualties mark the beginning of Bosniak judgment day. We must do everything to ensure that we and others in Europe and in the dozing Islamic ocean remain aware of this.

There is, of course, no doubt that over the next centuries Islam will, as far as the Bosniaks are concerned, be like a spark in the palm of one's hand: If you hold it, you get burned; if you drop it, it will go out. If, God forbid, this spark is to go out, it would mean the beginning of the end for the Bosniaks.

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Croatia: Talks With B-H Delegation Begin in Split

LD2602112996 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 26 Feb 96

[FBIS Translated Text] The second session of the Joint Cooperation Council of the Republic of Croatia, the Republic of Bosnia-Herzegovina, and the Federation of Bosnia-Herzegovina is being held in Split today.

The Republic of Croatia delegation, headed by Prime Minister Zlatko Matesa, arrived in Split at about 1000 [0900 GMT] and proceeded immediately to meet the Bosnia-Herzegovina delegation led by Prime Minister Hasan Muratovic.

Upon his arrival Prime Minister Matesa said in a brief statement that the session reflected Croatia's desire to continue its policy of implementing the Dayton and Washington agreements in their entirety. A number of protocols and contracts on bilateral relations, including agreements in the economic sphere, visa requirements, air traffic, and other areas of importance for advancing bilateral cooperation, are expected to be signed today, he said.

In addition to Prime Minister Matesa, the Croatian delegation also includes the deputy prime ministers Mate Granic and Ljerka Mintas-Hodak; Ministers Ivan Jarnjak, Davor Stern, Zeljko Luzavec and Miroslav Separovic; and other senior officials.

Bosnia-Herzegovina Prime Minister Muratovic is accompanied by [Deputy Prime] Minister Jadranko Prlic; Ministers Neven Tomic and Hilmo Pasic; minister in the Bosnia-Herzegovina Federation, Mato Tadic; and others.

Croatia: Susak Says Arming of B-H Army Threatens Peace

AU2402152896 Paris AFP in English 1146 GMT 24 Feb 96

[FBIS Transcribed Text] Zagreb, Feb 24 (AFP) — Croatia's defence minister said Saturday [24 February] the "uncontrolled" arming of Bosnia's Moslems was now "the greatest threat" to peace in Bosnia.

Defence Minister Gojko Susak told a party meeting in Zagreb that, "at present, the uncontrolled arming of the (mainly-Moslem) Bosnian Army is the greatest threat to the application of the Dayton peace accord and stability in Bosnia-Herzegovina."

The military weakness of Bosnia's Moslems had been "often exaggerated" Susak said.

"Their insistence on obtaining weapons immediately, notably heavy weapons, shows how certain problems related to the (Moslem-Croat) Federation could be settled in the future," he said.

Bosnian Croats in the Moslem-Croat Federation set up by Washington in March 1994, ending nearly 11 months of violent Moslem-Croat conflict, must be given joint control with over any weapons given to the Federation, he said.

Croatia: UNTAES Chief Tours Srem-Baranja District

AU2402180096 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 24 Feb 96

[Report by Bogdan Hrkman from Vukovar — recorded]

[FBIS Translated Text] In the morning Ambassador Jacques Paul Klein visited a 7-km section of the Zagreb-Belgrade highway that runs through the territory of the Srem-Baranja district and that will in the period to come be under the authority of the UNTAES [UN Transitional Administration for Eastern Slavonia] mission.

Afterward Ambassador Klein paid a brief visit to Ilok, the town with the highest concentration of refugees, mostly from west Slavonia. In Ilok he also held talks with a Catholic Church dignitary.

Shortly before 1300 [1200 GMT] Klein in an exclusive Vukovar restaurant Tri Vrske during an informal lunch discussed the current situation in the realization of the Erdut agreement with Borislav Drzajic, president of the Executive Council of Srem-Baranja District.

As an official part of today's visit, Ambassador Klein, who is accompanied by (Gerard Fischer), chief of the UNTAES civilian service, will at about 1600 hold talks with Milan Milanovic, chief of the Srem-Baranja district negotiating team, in Erdut. As was announced, General Loncar, commander of the Slavonia-Baranja Corps and president of the district government Drzajic will also be present at the talks. The schedule of the visit also envisages that prior to the talks in Erdut Klein will pay a brief visit to the residence of the Orthodox Bishop Lukijan in Dalj.

Croatia: Serb Official on Demilitarizing Srem-Baranja

LD2302223696 Belgrade TANJUG in English 1855 GMT 23 Feb 96

["Pool" item]

[FBIS Transcribed Text] Erdut, Feb 23 (TANJUG) — Chief of the Serb Delegation in negotiations with Croatia, Milan Milanovic, said in Erdut Friday that the process of demilitarisation of the Srem-Baranja

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region should start immediately after the deployment of 5,000 UNTAES [UN Transitional Authority for Eastern Slavonia] mission troops.

According to Jacques Klein, the U.N. administrator of the Srem-Baranja region inhabited by Serbs and Serb refugees from Krajina and situated between Croatia and the Federal Republic of Yugoslavia, around 5,000 UNTAES troops will be deployed by May 15.

The Srem-Baranja region is the only part of the former state of Serbs in Croatia, the Republic of Serb Krajina (RSK), which was not overrun by Croatian troops in last year's offensives.

RSK was set up by Serbs in Croatia in 1991, following the secession of that former Yugoslav republic from the former Yugoslavia.

The Croatian authorities and representatives of local Serbs signed mid-November an agreement placing the region under one-year EU administration.

Milanovic said the issue of surplus Serb arms had not been solved yet and added that the Serb side still favored the storing of arms on a 'double key' basis, or that both Serbs and the U.N. have keys to the storehouses.

The return of refugees is the worst problem and will require a lot of time, Milanovic said. The region is open for the return of not only Serbs but also of Croats, Hungarians and other refugees, he said.

The refugees who return will have at their disposal about 15,000 housing units which were state or socially-owned before the war, Milanovic said.

Croatia: Iranian Envoy Says NATO Behind Detention

LD2402204396 Tehran IRNA in English 2004 GMT 24 Feb 96

[FBIS Transcribed Text] Zagreb, Feb. 24, IRNA — Iranian Ambassador to Croatia Mohammad-Javad Asayesh[-Zarebi] here today referred to the detaining of the Iranian reciters of the holy Koran and the members of the Islamic choir 'Qadr' by a group of Bosnian Croat extremists, and held the NATO forces and the malicious propaganda of global arrogance responsible in this regard.

In a talk with IRNA the Iranian ambassador thanked Croatian Deputy Foreign Minister Franjo Konic for his efforts in paving the way for the release of the Iranian reciters.

The nine-member Iranian group which had been dispatched to the Balkans at the invitation of the Islamic centres of Zagreb and Sarajevo on the occasion of the fasting month of Ramadan, were detained in a premeditated measure by the NATO forces and Croat extremists, while returning to Zagreb from Sarajevo on Tuesday.

The Iranian group were freed on Friday after intensive efforts by the Iranian embassy in Zagreb.

Croatia: Austria's Schuessel Discusses Trade, Mostar

AU2302141996 Vienna DER STANDARD in German 23 Feb 96 p 2

[Report by Erhard Stackl from Zagreb: "Schuessel Promises Trade and Help in Zagreb"]

[FBIS Translated Text] All his interlocutors in the talks during Vice Chancellor Wolfgang Schuessel's visit to Zagreb conveyed President Franjo Tudjman's thanks to the Austrians for the "great humanitarian help" from "Neighbor in Need" and other actions. That was the first leg of a two-day trip to Croatia and Bosnia. "We will never forget that," said Economics Minister Davor Stern, with whom the Austrians discussed the intensification of cooperation.

In 1995 Austria exported goods valued at 5.3 billion schillings to Croatia, but it only imported goods valued at 1.6 billion schillings from the country, which had been hit hard by the war. "Trade must not be a one-way street," Economic Chamber President Leopold Maderthaner also affirmed in Zagreb.

For the end of April, Schuessel announced "a large-scale symposium in Vienna," where cooperation, among other things, in the fields of road construction and tourism, is to be developed. Austria also wants to support Croatia's efforts for closer relations with the EU.

As it became known from Schuessel's surroundings, the foreign minister intimated to his Croatian partners in the talks, also to President Franjo Tudjman, who dominates politics, that progress in the field of democracy and human rights is also required .

After a talk with Prime Minister Zladko Matesa, Schuessel stressed before the press that both sides agree on the support of the Bosnian peace plan, including the Bosniak-Croat Federation. Mock's successor stressed the EU unification project for Herzegovina's metropolis, Mostar, against which the Bosnian Croats are taking delaying action.

Matesa confirmed the preparedness of the Republic of Croatia to support the federation "including the city of Mostar," but he mentioned this objective simultaneously with the "peaceful reintegration of the Croatian Danube territory" (eastern Slavonia). Progress is already being made in the dialogue with Serbia, Foreign Minister Mate Granic disclosed.

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In Zagreb, Schuessel, who wants to travel to Sarajevo today, Friday, also met with Cardinal Franjo Kuharic, who preached a "Lenten sermon" to him. According to Croatian partners in talks, Kuharic plays "a role similar to that of Cardinal Koenig in Vienna."

During Schuessel's meeting with opposition politicians, they accused Tudjman of dictatorial traits. For example, the president refuses to recognize the mayor elected by the majority in the Zagreb city parliament. Vice Prime Minister Borislav Stegro even threatened a journalist from the leftist opposition with a pistol.

Croatia: Commentary on Blaskic Extradiction, HDZ

AU2302205796 Zagreb GLOBUS in Serbo-Croatian 23 Feb 96 pp 5-6

[Commentary by Davor Butkovic: "Croatia Is Extraditing General Tihofil Blaskic to The Hague!"]

[FBIS Translated Text] On Wednesday 21 February at 1400, at Banski Dvori in Zagreb, a meeting was convened of the highest officials of the Croatian Government who discussed relations of the Republic of Croatia with the International War Crimes Tribunal in The Hague.

The meeting was held in the presence of Deputy Prime Minister Ljerka Mintas-Hodak, Foreign Minister Mate Granic, Defense Minister Gojko Susak, Justice Minister Zvonimir Separovic, State Attorney Marijan Hranjski and Zvonimir Hodak, defense attorney of Croats indicted for war crimes, who is also the husband of the deputy prime minister.

The meeting was called to discuss the final bill on Croatia's cooperation with the Hague Tribunal.

Zvonimir Hodak, however, even before the discussion of the legal text, made a very specific arrangement with the tribunal. That is to say, during his visit to The Hague, among the people he met, Hodak spoke for precisely 75 minutes with Judge Richard Goldstone, the chief prosecutor of The Hague Tribunal.

Recently Goldstone sent a fax to Zagreb in which he officially confirmed a word-of-mouth agreement with the Croatian side on the case of General Tihofil Blaskic, former commander of the HVO [Croatian Defense Council] at the time of the Croatian-Bosniak war and one of the first Croats indicted for war crimes. Goldstone agreed that Blaskic, who had been meanwhile been appointed by President Tudjman as inspector of the Croatian Army, should not be held in custody during his trial.

This means that Blaskic will really be the first Croat to go to The Hague, and quite soon indeed, and he will be staying there in a hotel, paid for by the Croatian Government, he will be regularly appearing at hearings, and the Tribunal will be monitoring his movement in the Netherlands.

General Blaskic, unlike the indicted Serbs who are already in The Hague, will not be held in prison.

At the negotiations about Blaskic, Tribunal representatives raised the question of putting former chairman of the Bosnia-Herzegovina HDZ [Croatian Democratic Community] Dario Kordic on trial as well. The Croatian representatives told them they could not exert influence on Kordic to come to The Hague, as he, like other indicted Croats, is a citizen of Bosnia-Herzegovina.

What the attitude of the Croatian Government will be toward all the other indicted Croats, rather than Gen. Blaskic alone, will be seen from the final draft of the bill on cooperation with the War Crimes Tribunal.

Two Major Problems Are in the HDZ

However, it is already quite clear that the attitude toward The Hague is one of the major reasons for conflicts within the leadership of the HDZ, which should be settled at the meeting of the Main Board of the HDZ on 24 and 25 February.

In fact, this will be an extraordinary and unexpected party congress, and the fact that it has been called best indicates how deep the current divisions in the HDZ are, definitely the strongest and best organized Croatian political party, even though Drazen Budisa [Croatian opposition leader] recently called it "a dying movement."

The main problems in the HDZ are quite apparent and an additional difficulty is that they have caused conflicts between the president's closest aides. There are two main problems—the conflict of groups with different interests within the party, and the fight for survival within the party and state leaderships of people who might be affected by the announced purge, that is supposed to be conducted under the pretext of the fight against crime.

At this point it is interesting to mention, not only as a digression, that the fight against "the mafiocratization" of the HDZ, that is, attacks by new HDZ right-wing members against surviving techno-managers and liberals, as well as attacks on the government, actually boils down to a conflict between those HDZ members who with a little money obtained luxurious apartments (such as Vladimir Seks or Ivica Mudrinic) and the group

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whose members reached important positions in business (such as Nikica Valentic).

In this conflict the number of those not interested in property is proportionally small.

In addition to these two problems regarding staff and different interests, discord within the HDZ exists over a series of other concrete political issues, such as cooperation with the Hague Tribunal and the transformation of Herzeg-Bosnia, the issue of Zagreb's mayor and elections in Zagreb that are under way at the moment, and finally the creation of a political counterbalance to the increasingly dominant right wing in the ruling party.

On the subject of The Hague, it seems that misunderstandings in that respect have reached the highest level, that is, between Defense Minister Susak and Foreign Minister Granic with Granic advocating a more cooperative approach on the part of the Croatian Government toward the Hague Tribunal.

This conflict is, in fact, a continuation of earlier disagreements over the concept of Herzeg-Bosnia, when Granic advocated Croatia's acceptance of the internationally proposed concept of the gradual extinction of Herzeg-Bosnia, whereas Susak, for as long as it was possible, defended its existence.

Forced Governor of Zagreb

When speaking of the election of Zagreb's mayor, it is important to mention that both the right and the moderate factions in the HDZ have agreed that Tudjman should confirm Jozo Rados as mayor.

True, their motives were probably quite different. So Minister Susak was openly saying that Rados should be confirmed simply because after three or four months of his mandate in the city the opposition itself would go for a coalition with the HDZ.

Of course, Susak hinted at the opposition's incapability of governing Zagreb alone.

Other representatives of the government and top officials of the HDZ considered that it would be highly discrediting for the ruling party itself and the president of the republic to reject a candidate of the opposition again. It is for that reason, after all, that the government indirectly suggested to Tudjman to confirm Rados as mayor. Now the HDZ has to come to the new elections in Zagreb with a destroyed, forced city governor, which will considerably diminish the HDZ's chances of victory in the elections, and which, in the event of a joint ticket and an intelligent election campaign, should make it possible for the opposition to achieve an even more convincing victory than the one last October.

Therefore today it appears that the chances of the new HDZ organizer of the elections, presidential advisor Zlatko Canjuga, winning any bets on the results of the new elections that are being devised by him right now are rather poor.

Many leading HDZ officials are aware how unpopular the president's decision is on the annulment of Rados's election, so it is quite logical that no respectable politicians in the ruling party wants to take up the function of an imposed governor of Zagreb.

Several days ago the job was turned down by Ljerka Mintas-Hodak, so that the last candidate for the position remains Franjo Greguric.

However, Greguric reportedly does not want the job either, knowing that it can most probably turn into political suicide.

Now, when it is certain that new elections will be held in Zagreb, a victory in the capital of Croatia is the most important motive to conceal disagreements within the ruling party and call for maintaining unity, as will happen at the HDZ's minicongress on 24 and 25 February, where a series of distinguished party officials will be reading their, for the most part, uncontroversial reports.

Disturbed Balance in the Party

The conflicting factions and groups in the HDZ will hold together until the results of the new Zagreb elections are announced and it can also be assumed that the leaders of certain factions are already asking for benefits in return for accepting reconciliation and accepting a new unity in the party. This particularly applies to the right wing, whose supporters were to have been purged at intra-party elections in Zagreb, while now the extent of the purge will be reduced.

On the other hand, the political campaign against "mafiocratization" has been completely suspended, to which members of other groups in the HDZ were to have fallen victim.

This party unity, which is supposed to become apparent at the meeting of the HDZ's Main Board on 24 and 25 February, will certainly not mean any real political unity or the accomplishment of realistic political balance in the HDZ, which was upset by the departure of Mesic and Manolic, and definitely disturbed by the removal of the majority of techno-managers and subsequently by the resignation of former prime minister Valentic from all party bodies.

Today the HDZ leadership is dominated by supporters of the right-wing, nationalist wing, whom Tudjman, in

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addition to his own authority, can confront only with the government officials who have recently joined the party and whom the party probably does not accept, such as Prime Minister Zlatko Matesa and Ljerka Mintas-Hodak, as well as Zlatko Canjuga, who has also taken over the public role of the ideologist of a tolerant political faction in the HDZ, which may prove to be quite unrewarding.

Speculations about left-wing and liberal HDZ members gathering around academician Dalibor Brozovic, that are founded on well known political animosities between Susak and Brozovic, who is one of the founders of the HDZ, are most probably not true.

Brozovic is not a man who would get into overt political conflicts, nor does he now command any real political power to influence decisions made by the party leadership, as he is no longer an assembly deputy.

When I visited Tudjman at his villa in Nazor Street in April 1989, in the living room sat Vladimir Seks, Josip Manolic, and Dalibor Brozovic. The three of them, together with Tudjman, were carefully working on God knows which version of initial platform or statutory documents of the party that at the time had not even been officially founded yet.

Of all the founders of the HDZ, today, in addition to Tudjman, it is Seks who still holds an office of state and, even though he himself has quite frequently come into conflict with the president over the past few years, he regularly expressed loyalty to him thereafter.

Seks's case is therefore an example of the current state of affairs in the HDZ, particularly with regard to this week's mini congress of the HDZ.

Regardless of the depth of conflicts in the party and diversity of interests of particular factions, Tudjman, as long as he is in power in both the state and party leaderships, will not allow in any case that any faction fully takes over power, that any new escalation of intra-party conflicts, such as that of the Mesic and Manolic blows of 1994, happens again, and will not allow anybody but him to make decisions on the most important personnel questions in the party and the state leadership, as well as on matters of state.

Only a possible debacle for the HDZ at the repeat Zagreb elections could call into question Tudjman's authority.

Croatia: Tudjman Calls Strike Politically Motivated

AU2402170296 Paris AFP in English 1547 GMT 24 Feb 96

[FBIS Transcribed Text] Zagreb, Feb 24 (AFP) — A strike by Croatian public sector workers planned for next month is politically motivated and not democratic, Croatian President Franjo Tudjman said Saturday.

"This strike is not democratic. It is the work of people wanting to overthrow the democratically elected Croatian authorities," Tudjman told a congress of his rightwing ruling Croatian Democratic Union (HDZ) party.

Tudjman said the unions, who are demanding a higher minimum wage and changes to the way public sector wages are settled, were seeking to "provoke a crisis" in Croatia, refusing to cooperate with "the authorities who guided the country out of communism," after talks between the unions and the Labour Ministry broke down last Wednesday.

The unions are demanding that public sector wages are settled through collective negotiation and calling for an increase in the minimum wage from 700 to 1,100 kuna (205 dollars) a month and for an increase in tax threshold to the same level.

A spokesman for the main union collective, the SSSH, which announced the plans for the strike, the first ever large-scale public sector in Croatia, said Friday the stoppages would start in March after a union meeting on February 28.

Croatian railway traffic has meanwhile been badly hit since Thursday after railway workers went on strike in support of a claim for a 100 percent increase in wages.

Croatia: Tudjman Opens HDZ Party Session

LD2402103396 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 24 Feb 96

[FBIS Translated Excerpt] The first session of the main committee of the Croatian Democratic Union [HDZ] has begun in the INA Hall in Zagreb. Dr. Franjo Tudjman, president of the Republic of Croatia and chairman of the party, gave the introductory speech, in which he said that with the end of the war and the start of a period of peace, Croatia and the HDZ are today subject to staged attacks from within and outside, something which devalues the state independence we have achieved.

President Tudjman recalled the psychological-political scenarios which have assessed the HDZ in the last six years, first as a party of dangerous intentions, then as a party in which the so-called Herzegovina lobby

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predominated. Finally, the HDZ was blamed for the allegedly wrong policies toward Bosnia-Herzegovina.

In answer to the unfounded accusations, President Tudjman said HDZ policies have proved to be the most far-sighted, and he asked the main committee members to determine the current state of affairs and future tasks in the implementation of state policies at this session. [passage omitted]

Croatia: Tudjman Addresses HDZ Party Conference

LD2402193896 Zagreb Radio Croatia Network in Serbo-Croatian 1219 GMT 24 Feb 96

[Speech by Croatian President Franjo Tudjman at the Croatian Democratic Community [HDZ] party conference in Zagreb on 24 February — recorded]

[FBIS Translated Text] At the beginning of the creation of the Croatian Democratic Union [HDZ] and Croatia, what were conditions like abroad? Very unfavourable. Why were they unfavorable abroad? Because the Socialist Federal Republic of Yugoslavia was an important player in supporting the Versailles order which was followed by the (?Yalta) order, and it was an even more important player in the division of the world into blocs, because both those in the East and those in the West counted on Yugoslavia — that Yugoslavia of Tito's. Both not only speculated but benefited themselves from its existence. So everyone who was interested in the preservation of the international community was also interested in the preservation of Yugoslavia.

Given the situation, the demand for an independent Croatia was against the international order. It meant a rejection of the whole world and the international order and the breakup of a Yugoslavia which was needed by various people. It was a model of the life together of various peoples, religions, cultures and so on.

Apart from this, this demand was a bad example to other multi-ethnic states in Europe and not only them but also to states which have large or small minorities or national problems.

So the demand for an independent Croatia which the HDZ put forward was, from the international community's point of view, unacceptable and dangerous. It was also interpreted as Croatia's return to the NDH [Independent State of Croatia — Croatian World War II puppet state], which was an enemy state for those who were creating the current world order.

I would like to remind you that the United Nations charter, which was signed in San Francisco on 26 June 1945 and came into effect on 24 October 1945, says that the Security Council may use coercive actions against any enemy state. The second point says, and I quote: the phrase enemy state as used in Point 1 of this article, is applicable to every state which was the enemy during World War II of any of the signatory countries of the charter.

And further on in Article 107, nothing in this charter weakens or prevents relations with any other state which during World War II was an enemy of any of the signatories of this charter.

These were the international circumstances and international rules in which we set out on the struggle for an independent Croatia. Yugoslavia was a signatory — it is true, thanks to Tito and his anti-fascist movement — but it has been forgotten, or people did not know, that the Croatian people were one of the main forces in this anti-fascist movement. Instead, Croatia was formally, with its NDH, an adversary of those who created the international order, while Yugoslavia was a signatory. So Yugoslavia was a friendly country, whilst Croatia — along with the NDH — was an enemy. These were the external circumstances which led to the realization of the idea of an independent Croatia.

The internal circumstances were equally unfavorable. To be sure, the crisis in Yugoslavia and in socialism was a favorable circumstance. But everything else was unfavorable. Why? It was unfavorable because Serbia wanted to keep either the whole of Yugoslavia or create a Greater Serbia by using the force of the Yugo-communist army; because Bosnia-Herzegovina and Macedonia were interested in preserving a Yugoslavia with somewhat altered confederal constitutions; and because in these circumstances, the Yugo-unitaristic, Greater Serbian circles accepted the Slovene demand that it should leave Yugoslavia.

Internal political conditions were therefore unfavorable. Apart from that, Croatia was occupied by the Yugo-communist army. Croatia's territorial defense, which should have provided Croatia with some kind of security, which had been organized in distant post-war years in such a way as to ensure that every nation has its own arms for defense in such situations [incomplete sentence as heard]. However, territorial defense in Slovenia and elsewhere was not disarmed, but in Croatia it was disarmed and Croatia was left defenseless. These were the general circumstances.

Let us now recall the conditions at the time of the first elections. Given the overall collapse of the socialist system in Europe, and given the extremist conduct of Greater-Serbian hegemony, the Croatian communist leadership introduced a multi-party system, but in so doing it did everything in its power to prevent the registration and activities of the HDZ. As you know,

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they [communists] dreamed up a slogan: the HDZ — party of dangerous intentions, which in itself meant that the HDZ was advocating the disintegration of Yugoslavia, a return to the NDH [the Independent State of Croatia — Nazi puppet state within Croatia in World War II], etc. Attempts were also made to prevent our party's registration and ban my public activity.

This was the climate in which a general coalition of opposition parties was formed at the time of the first elections. The coalition had support from democratic circles abroad, unlike the communist leadership. We took a stand against the opposition and scored a victory and all the other victories since then.

We have achieved political and military victories since the elections to this very day on the basis of the HDZ program. In order to create an independent and democratic Croatian state, this program reconciled the divided and conflicting sense of Croatian national identity at home with the feelings of Croats who have emigrated. In the struggle for the realization of the HDZ program, an important role was played by those abroad, among whom there had been serious divisions up to that moment. But they liked and accepted the HDZ program politically and later they made a great contribution to the defense of the homeland in terms of personnel and financial support.

However, it is clear that homeland Croatia carried the main burden and was the main strength of the HDZ. The fact that in the homeland we managed to unify all regions, all classes and all generations assured us of all the successes we have achieved.

The world was disinclined toward us for the reasons I have already mentioned, but our policies aimed to harmonize our national and state aims with the situation in the world. The world is united on some issues, but very divided on others. So in such a world we knew how to coordinate our interests with those of the international players.

In reference to this, I would like to recall some facts. Some people are wondering why such hostility toward the HDZ and democratic Croatia exists again today, after five or six years. My dear friends, because the world acted as I have tried briefly to describe, we had a referendum. Even many of my associates thought that perhaps we should not, and they did not support me in this. Opposition parties in particular believed we did not need a referendum because we had had elections in 1990 and the Croatian people had expressed their will.

But I knew we needed to have a referendum so that we could show the world, which is always saying it respects the will of the people and is in favor of self-determination, that the whole of the Croatian people wanted independence, not only the HDZ.

Let us recall that in this referendum in May 1991, there was an 87, no, 83 percent turnout. Of those who turned out at the referendum, 93 percent voted for the independence of Croatia. This means that 23 percent were not in favor of an independent Croatia. We could say that 3 percent were sick or unable to turn out, etc, but about 20 percent — we had such a situation in Croatia — did not vote for the independent Croatia we were proposing.

This is the legacy, above all, of the make-up [of Croatia] such as it was with the Serbs, etc. But it was also the continuation of Yugo-communist traditions and everything else. And look here please, if you will, we are talking about an approximate 20 percent. And what is the situation today? According to soundly implemented polls carried out this month, 81 percent were for the president of the HDZ and the state: very favorably disposed were 51 percent; generally favorable 31 percent [all figures as heard]. So very little has changed from what we had in 1991.

So the situation we inherited can only be changed with great difficulty and we would be Don Quixotes if we did not recognize the real situation both in the framework of the Croatian nation and in international circumstances. The depth of the physical and spiritual legacy is something we have to face and which we cannot just bypass but, in the interests of the Croatian people and the Croatian state, we must control [usmjeriti] this legacy so it does not rebound against us.

Let us recall some other events. Our hands were tied by the Yugoslav constitutional order and by the international one [as received]. When we adopted a decision on independence, Europe was still forcing us not to implement [this decision] straight away. Do you remember when our soldiers had to join the Yugoslav Army? They had to join until June 1991. This was [word indistinct] situation. We have been accused, not only by Belgrade and before the whole world, but also by the Croatian Assembly of arming the HDZ and building our own army. How could we have done it in those circumstances? We did what we could — and we could not have done it and did not dare do it otherwise — to start building an armed force within the Ministry of Internal Affairs. I signed a decision on the formation of the National Guard Force [ZNG] on 12 April 1991. Let us also recall the first inspection of ZNG units on 28 May 1991 and how some opposition members and today's critics insulted us and ridiculed us.

These were the internal and external circumstances. Various traps were also laid, such as the ones from

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Croatian ranks suggesting we should launch an all-out attack on Yugo-barracks and take advantage of the war between Slovenia and the Yugoslav Army and Belgrade, and saying it was an opportunity for us [words indistinct]. It was clear...[changes thought] I did not know then, but I worked it out for myself that Slovenia was given a go ahead and told to leave as quickly as possible. However, had we — still unarmed at the time — really launched an attack on all Yugo-barracks we would have been smashed because we had no armed force, although the world wanted it.

At that time the war broke out and it became absolutely clear that they [Yugoslav Army] could not conquer the whole of Croatia, so they conquered the territories they wanted to annex to Greater Serbia. Consequently, in autumn 1991, at the time of the fiercest battle for Vukovar and other battles from Vukovar to Dubrovnik, they tried to destroy Croatia by bombing the presidential palace. Dear friends, at the time we did not have proper diplomatic relations, there were no embassies [in Zagreb], only consulates, some people knew what was going to happen and left Zagreb.

Without taking all this in consideration, all the internal and international circumstances, it is difficult to judge the greatness of our achievement. We have overcome all the difficulties. We created our armed force in secret as there was no other way. We held elections that we were not obliged to hold. Still, we held elections in both 1992 and 1993 to prove that we wanted a democratic Croatia and that the Croatian people were in favor of their own independent state and not a totalitarian one.

Let us recall something else. How long has it been since the Z4 [Zagreb 4 —mini-contact group made up of the United States, Russia, the EU, and the United Nations] plan was outlined? Not even a year. The Z4 plan was prepared by representatives of friendly states. It gave Serbs in Croatia a separate state 27 km from Zagreb. It allowed them to have not only their own state, but also their own army, flag, and currency. There was an attempt to force this upon us as a democratic solution, as something we had to accept. This was a burden that was supposed to weigh the democratic independent Croatia down.

The other burden was Istria, Istria's regionalism and its request to secede. We have overcome all this. At the same time, we made decisions on Maslenica, on the termination of the mandate of the UN Protection Force, on [Operations] Flash and Storm and on operations in Bosnia. [10 second break in transmission] your generals to go.

The day after, on 1 August, one representative of the international powers notified me both in writing and orally that such intentions to launch an operation were dangerous, that this could cause an escalation of the conflict, and that we were unable to carry it out. [words indistinct] that we were unable to carry it out.

These are the circumstances in which we adopted our decisions, in which we carried it out in the best possible way. In a way that surprised the world that was not amicably disposed toward us; it was forced gradually to recognize us more and more. Our political and military victories finally led to changing the strategic balance in the territory of former Yugoslavia, i.e., in this part of Europe, the unfortunate Balkans.

Hence, as they themselves say, we have become a military and regional force, an indispensable player that facilitated the Washington and Dayton agreements. In this respect Croatia played the main role, but despite the fact that with our HDZ program we achieved such results — the sovereign and independent Croatia — despite all that, there are forces wishing to streamline the future of Croatia in a different direction than envisaged not only in our HDZ program — to be an independent and sovereign Croatia, but also in a way different from what was desired most certainly by the vast majority of our people.

Croatia: Tudjman Criticizes Opposition Parties

LD2502214796 Belgrade TANJUG in English 2134 GMT 25 Feb 96

[FBIS Transcribed Text] Zagreb, Feb. 25 (TANJUG) — Croatian President Franjo Tudjman Sunday appealed for support in revealing an opposition plan for ousting the authorities in power.

Addressing the Main Committee of the ruling Croatian Democratic Union (HDZ) at the end of a two-day session in Zagreb, Tudjman said that opposition parties from the extreme left to the extreme right were doing so 'under the mask of democracy.'

Tudjman said that important victories had been scored in Croatia and Bosnia, which 'created conditions for the survival of the Croatian state.'

The committee proposed that Aug. 5, the day when the Croatian army captured Knin, be declared a national holiday 'in memory of the historic victory.'

Knin was the administrative center of the Republic of Serb Krajina, a state proclaimed in Serb ethnic and historical territories in the former Yugoslav Republic of Croatia. The town was occupied by Croatian troops last Aug. 5 in a brutal military offensive on the northern and southern parts of the Serb Krajina.

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Thousands of Krajina Serbs were killed and about 250,000 were expelled from the land that had been populated by Serbs for centuries. Their property was either looted or burned during the onslaught.

Tudjman said that Croatia had accepted international guarantees 'for an integration of Croatian Danube region in its constitutional and legal system.'

He was refering to the Srem-Baranja region, the only remaining part of the Republic of Serb Krajina that the Croatian army did not occupy in its offensives.

Under provisions of the Dayton Agreement, the Srem-Baranja region has been placed under a one-year international administration, with the possibility that the period being extended for another year at the request of any of the interested parties.

'The reality has annulled criticism addressed to the HDZ for accepting a normalization of relations between Serbs and Croats,' said Tudjman, adding that Croatia was determined that the normalization could be achieved 'solely on the ground of mutual recognition of sovereign states and a cooperation based on mutual interests.'

Croatia: Army Seeks To Modernize With U.S. Weapons

AU2502192696 Split NEDJELJNA DALMACIJA in Serbo-Croatian 23 Feb 96 pp 2-3

["Exclusive" article by Mario Galic: "Croatia Will Get 'Patriot' Missiles With Which Americans Were Shooting Down Saddam's Missiles"]

[FBIS Translated Text] The formal five-day visit of Croatia's Defense Minister Gojo Susak to the United States has been the landmark of the new quality in the military cooperation between Croatia and the United States. The duration of the visit and the size of the Croatian delegation, and the collocutors on the American part, in themselves tell us enough about its importance. Thus, the Croatian delegation consisted, apart from the defense minister, of his assistant Major General Vladimir Zagorec, the most responsible person from the Ministry of Defense in charge of weapons and equipment supply. General Kresimir Cosic, chairman of the military-technical council, was also in Washington. The presence of Brigadier Markica Rebic, ministerial assistant for security, thus at the same time the first man in charge of the activity of SIS [Security and Informative Service] and the intelligence department, confirmed that they were not only talking about the purchase of weapons and equipment, but also about cooperation in the exchange of intelligence.

Although Susak in his statements avoided talking about the agreements reached regarding the purchase of U.S. weapons, this subject must have certainly been one of the main issues. Especially because Russian Defense Minister Pavel Grachev, on the occasion of his recent visit to Belgrade, promised a delivery of the most modern Russian weapons to the "Yugo-generals." If it wants to maintain the balance of power in the Balkans, the United States has to deliver to Croatia weapons of the same quality as the ones the Serbs will get. For that, as much as it might seem paradoxical, the Vienna negotiations on the limitations of armaments in the armies of Croatia, Serbia, and Bosnia-Herzegovina will only accelerate the process of purchasing the most modern weapons.

Response to Serbia

Namely, a certain level of fighting capability can be maintained either by quantity or by quality of weapons. In practice, that means that the FRY Army will no longer use 150 old-fashioned MiG-21B fighter planes, but, let us say, 70 modern MiG-29 fighter planes. The quantity provision will thus be satisfied, and the fighting capability of the Serbian Air Force would even increase. The same process will take place in the ground forces and the navy, too. Grachev's recent visit to Belgrade has unstoppably triggered that process, and now it is Croatia's turn, by using its policy, to get the weapons in order to keep pace with Serbia.

Although it has not been officially confirmed yet, one can conclude that Croatia has decided to get the largest part of the necessary weapons in the United States. Such a decision has been motivated first of all by political reasons since the divided Europe has hitherto often expressed overt hostility toward Croatia but also overall political impotence to solve the problem in the territory of former Yugoslavia. Besides, the United States is still the leading manufacturer of weapons, and the products of its military industry are considered to be the best in the world. Therefore it is perfectly logical to use good political relations for such a delicate business as arms purchases.

Training Centers

Although this time no member of the Croatian delegation openly mentioned it, it is not unknown what Croatia wants to buy from the Americans. Primarily, it is a new communications system, which would be compatible with NATO standards and would enable safe communication among all the levels of the Croatian Army. This new system would certainly involve so-called C-3 ability (simultaneous command, control, and communications over the electronics and computers), which would go down to the level of brigade. Such systems have already been used for a long time in all the NATO

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armies, and they significantly facilitate the execution of combat operations.

Croatia must answer the challenge of Serbia's modernizing its air force and antiaircraft defense. The present Croatian system of antiaircraft defense is rather porous, which is no wonder if we bear in mind that the Croatian Army has been under an international arms embargo since its birth. In such circumstances it is extremely difficult to purchase modern aircraft, radars, and missiles. Even if one buys them, their price, already high (modern multi-purpose fighter planes cost $20-50 million), is even higher. By lifting the arms embargo (15 June) Croatia will finally be able to buy those modern systems legally. If Croatia decides to buy them exclusively in the United States, then only two types of fighter planes can be discussed, the F-16 Fighting Falcon or the F/A-18 Hornet. Although the final decision has not been made yet, we gather that the Croatian Air Force has chosen the F-16C as its future multi-purpose fighter.

The decision about a modern antiaircraft missile system is even easier, because at the moment in the West there is only one modern system designed for shooting down medium- and high-altitude targets — the Patriot.

During his five-day visit Minister Susak visited some U.S. Army training centers and announced the interest of the Croatian Army in the purchase of equipment necessary to open a similar center in Croatia. Although it might seem to some people that spending money on such programs is unnecessary at the moment when Serbia is getting a large quantity of weapons from Russia, the decision to invest money in training shows that in the Ministry of Defense they are very careful and cautious in planning the future of the Croatian Armed Forces. Merely spending money to get new weapons, without proper training for the personnel to use them, would practically mean that the very money is wasted.

Regular and efficient education has a particularly important significance for the Croatian Army in light of the fact that according to the new organization, a standing army of only 50,000 soldiers is envisaged. The experiences from the war have shown that for any major operation it takes at least double that number of soldiers, and for an operation the size of Operation Storm even four times as many. Therefore it is necessary, if we want to keep a certain level of combat readiness, to carry out training and education for all army conscripts continuously, in order that they could be mobilized and deployed into combat units in a very short period of time. The fighting efficiency of those units will depend upon the quality of combat training of their members who were additionally trained and went to military exercises as army conscripts. In order to carry out such training of conscripts as efficiently as possible, which should not last longer than seven days (because those people separated from their jobs and families), one needs modern equipment. And Croatia can get it from the United States. Apart from the modern communications systems, fighter planes, and antiaircraft missile systems, what else should the Croatian Army buy in the near future from the United States or some other country? First of all, the HV [Croatian Army] must pass through the procedure of standardization of weapons and equipment in line with NATO standards. Through a combination of circumstances the HV uses mostly weapons manufactured to the standards of the former Warsaw Pact. Thus the major artillery caliber is 130mm, while the largest number of the Croatian Army howitzers use 122mm and 152mm ammunition. Standard NATO artillery caliber is 155mm, and all the countries that want to join this military alliance will have to conform their artillery to that standard. Besides, the limitation of armament quantity resulting from the Dayton agreement demands the transition of the HV from towed artillery to self-propelled artillery, in order to annul the negative effect of the reduction in the number of artillery pieces by increasing mobility, firepower, and accuracy.

Strengthening the Navy

Croatia also needs the assistance of experts regarding development of some projects of the domestic military industry, like our new tank "Degman," or the development of a new infantry combat vehicle. New strengthening of the "Yugo-army," particularly of its armored forces, demands an adequate Croatian answer. Therefore, in the next years, the Croatian Army will have to introduce new types of antitank weapons, like laser-guided antitank rockets, or self-guided mortar shells with infrared and/or radar guidance.

In coming years, the process of strengthening the Croatian Navy will also start, particularly the strengthening of its antisubmarine and minesweeping forces. As the Adriatic Sea is relatively small and full of islands, it is a question whether expensive warships should be built, or if the performance of their tasks should be left to combat helicopters equipped for antiship and antisubmarine warfare.

In any case, the speed of purchasing modern weapons will depend not only upon the wishes of the Croatian generals, but also upon the armament level of the neighboring states (primarily Serbia), and also upon the speed of Croatian economic development, because all that weaponry will cost millions and millions of dollars.

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FYROM: Parliament Endorses Crvenkovski's New Government

AU2302161296 Paris AFP in English 1604 GMT 23 Feb 96

[FBIS Transcribed Text] Skopje, Feb 23 (AFP) — The Macedonian parliament on Friday approved the nomination of a new government after three days of intense debate.

The Liberal party, which held four portfolios in the former government, including the foreign ministry, was excluded from the new cabinet, following disagreements with Prime Minister Branko Crvenkovski's Social Democratic Party, which holds 60 of the 120 in seats parliament.

FYROM: Prime Minister Addresses Assembly 21 Feb

AU2302184696 Skopje NOVA MAKEDONIJA in Macedonian 22 Feb p 2

[Text of speech by FYROM Prime Minister Branko Crvenkovski to FYROM Assembly in Skopje on 21 February: "A Government With a Clear-Cut Political Responsibility"]

[FBIS Translated Text] Here is the proposal for the reshaping of the Government of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia — FYROM]. If we leave aside some peripheral events, this is first event of its kind in the short parliamentary life in our state. It may be because many events are taking place for the first time (the first political government, the first electoral coalition, the first coalition break-up, and the first reshuffle) that there are such heightened emotions, tensions, and even drama surrounding an event that is usually taken more calmly in states with a longer parliamentarian tradition, as something that has been experienced many times, a normal part of democratic life.

When I started working on the reshaping of the government, my intention was to propose a ministerial team that would be able to implement with greater efficiency and success the platform that was supported at the Assembly elections and during the election of the government on 20 December 1994. This has not always been fully in line with personal activities. I can say that a number of the previous ministers who are not to be found on the proposed ministerial list carried out their duties to the best of their abilities. I would like to avail myself of this opportunity to thank them for their contribution and cooperation. However, let us not forget that the government is a collective body and can operate successfully only if there is teamwork and a minimum feeling of mutual confidence and loyalty. The government, which is the executive authority, cannot and must not be a debating club. It is expected to be efficient and active 24 hours a day.

With this proposal, I expect the Republic of Macedonia to have a government with a clear political responsibility. It represents one of the basic principles of parliamentarian democracy, which, if not respected, leads to a deformation of the whole system and the principle of political responsibility. Unfortunately, although the results of the Assembly elections fulfilled all the essential conditions, this government did not fully function as a political government in the past. This government is perfectly aware that the Liberal Party did not support its election. Afterward, the idea was promoted that this party was not part of the government coalition and that its ministers acted as experts who were chosen by the prime minister personally. I would here like to state that I find myself personally responsible for this unnatural situation, because I let things get this way, instead of trying to clarify matters from the very outset. Nevertheless, since the approach had not changed 13 months later, it became perfectly clear that the new government could not consist of ministers — experts — who were members of the Liberal Party.

Since it is my feeling that this was the element in the proposed reshuffle that was worrying the public the most over the last 20 days, allow me to take this opportunity to explain for a few moments.

Political partnership. As with every other type of partnership in life, it can be lasting and productive only if it relies on honest, sincere, and proper mutual relations. Political partnership means that both sides are ready to share the risks and responsibility even at difficult moments. There can be no lasting political partnership if one of the partners will only participate in sharing the glory and successes, without sharing the responsibility for difficulties and problems. In general, in politics, and particularly in our conditions, filled with turmoil and temptations, anybody who thinks that he has invented a recipe for playing a game with sure cards, regardless of what cards the others have, is always a winner. [sentence as published]

In recent days, one of the most commonly heard subjects in a range of party statements and commentaries has been the Alliance for Macedonia and its election platform. There have been many accusations and allegations about who is or is not in fact abandoning the election platform and who is the more sincere in wishing it to survive and be implemented. Since it is my feeling that this may be the central subject of today's session, allow me to read you the definition of the pol-

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icy goals for a four-year term of office in no more than three minutes.

Now that we have once again recalled the basic goals of the election platform of the Alliance for Macedonia, I can responsibly confirm that the new government and I will be constantly engaged in making it fully accepted as overall government policy. I also believe that these narrowly defined policy goals must not be monopolized just by the three political parties that make up the Alliance for Macedonia coalition for selfish egoist or party reasons, but we must make an effort to promote it at large and thus reach a broader national, political, and social consensus.

I think that these strategic goals deserve this, from the point of view of state and historical interests, and I firmly believe that they will obtain much greater support than the 337,000 votes that the three parties obtained at the last elections if the approach is more sincere and generous. The character of the policy goals is such as not to allow a firm division between deputies and non-deputies or between government and opposition politicians. In this sense, I do not deny the right of the Liberal Party to keep this platform as its own; on the contrary, I would be happy if it were so, because there would be a greater competition among ideas about achieving the common goals more easily.

Another question that was often mentioned in the days preceding this session of the Macedonian Assembly was the relationship of some political subjects toward Kiro Gligorov, the president of the Republic of Macedonia. In spite of the knowledge that the whole situation was being overplayed, I have the feeling that the whole matter was being completely exaggerated and good taste was not being respected. Some political parties proclaimed themselves the sole protectors and defenders of the president. I believe that they made at least two mistakes here.

The first is in the fact that President Gligorov enjoys a great personal popularity and confidence in the country and among the entire international community because of everything that he has accomplished and because of what he is doing now, and there is no need for anybody, particularly those politicians who inspire less confidence, to defend him. I do not exclude anybody in this, not even the SDSM [Social Democratic Alliance of Macedonia]. It is merely sufficient to look at all the polls to become convinced that our credibility is much lower among the people and so we have no businesas protecting the authority of President Gligorov.

The second reason is: Please do not defend Gligorov from within the SDSM's ranks. Do not defend him from the ranks of the party with which he has had the most sincere cooperation and respect throughout the period, the party that was among the rare ones, perhaps the only one, that did not even consider making any calculations about possible candidates for the presidential elections after the event of 3 October.

This cooperation and mutual loyal relationship will certainly continue in the future as well, not because of any calculations or interests, not because it may seem profitable and useful at a certain point, but because of shared opinions on the long-term interest of this nation, because the SDSM does not regard President Gligorov as its protector in certain circumstances, but as the president of the state and leader of the nation and, therefore, we sincerely wish him to be in this position for many years to come.

I am fully aware that today's session changes the political map of Macedonia. I am fully aware that there are big risks involved in changes like this. Nevertheless, I also expect that the great energy that used to be wasted in tackling mutual differences outside the gaze of the public will now be redirected toward developing democracy and parliamentary life, to a publicly open political scene, where it can be most productive. We will have to forget about the comfort that we felt in government and parliament after the election victory and we need not regret this if we replace it with mobility, ideas, and projects in parliament, with a desire for constructive work that will win more confidence in the eyes of the citizens of the Republic of Macedonia.

Let me briefly return to the work of the first year of this government's term of office. Here are the things that deserve to be listed as positive in our work:

In foreign policy: We have succeeded in reaching an accord with the Republic of Greece, which has led to the normalization of relations between the two states. We have thus succeeded in lifting two embargoes: the economic embargo on the border, and the political embargo that impeded us from joining European and international institutions. We must not neglect the fact that Greece has recognized the independence and territorial integrity of the Republic of Macedonia with this accord, which is undoubtedly of historic importance.

Last year Macedonia became a member of the OSCE [Organization of Security and Cooperation in Europe], of the Council of Europe, and the "Partnership for Peace" Program. Considering the criteria that a state must fulfill in terms of democratization, political and economic reform in order to be admitted to these organizations, it is totally clear that each of these events on its own and all of them together represent a great recognition of the international community of the total endeavors of our country in the recent period. At the

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same time, it also represents an strengthening of the international position of our state.

In economic and financial policy, under extremely difficult circumstances (let us recall: The embargo on the southern border was only lifted on 15 October, and the sanctions against the northern neighbor only at the end of last year), we have managed to maintain macroeconomic stability, currency stability, and, for the first time in 20 years, we have had single-digit annual inflation. The currency reserves of the Republic of Macedonia on 20 December 1994 were $154 million and on 31 December 1995 they were $274 million. The capital of the state was created in the most difficult period since its creation.

We must not underestimate that we have succeeded in regulating relations and debts with the Paris Club of creditors in a very favorable way.

You are perfectly aware that we are in a period of implementing a stand-by arrangement with the IMF. Last time, the IMF made very positive assessments and we can now count on a successful implementation of this annual arrangement in the spring. Let us recall: This has never happened before, not only in the history of the Republic of Macedonia, but even in that of former Yugoslavia, although there were such attempts.

As for the economic reforms and structural changes, the main priority was on privatization last year. We managed to speed up the process, and so far 604 enterprises out of a total of 1,216 have passed through the total legal procedure.

There are an additional 400 enterprises undergoing the same procedure. The assessment of the World Bank is that privatization is proceeding with very satisfactory results and that the main goal, greater efficiency in production, has already started.

During 1995 one of the most important projects was the law on 25 biggest loss-makers. According to all economic and financial indicators, as well as the positive regulations, all these enterprises fulfill the conditions for liquidation. Bearing in mind that over 45,000 people were employed in these companies and the great importance of these firms in the economic structure, we decided to take measures to enable a chance for their existence on a profitable base. This was not and is not at all a simple process; on the contrary, we were faced with many difficulties and problems, but the present situation in most of these firms justifies the efforts and measures that were taken.

Another project that was of great priority in the last year was for the structural changes in the banking system of the Republic of Macedonia. Two types of operations were initiated: a linear one, which was applied to all the banks in the state and the engagement of the state in taking over citizens' frozen currency deposits and their investment on the base of foreign credit (Paris Club), and the clearing of the Economic Bank [Stopanska Banka], which cleared it of bad debts, reduced it, privatized it, and effected changes in its management. Most of these operations have already ended with success.

As for the plan to reform the political system, I would emphasize, first of all, two extremely important legal projects from a systemic and organizational character. One is the Law on the Courts, which created the conditions for the formation of the third branch of power, independent courts, and then there is the Law on Local Management, which gives citizens constitutional rights in local self-management and also creates the conditions for filling in the vertical and horizontal power structure in Macedonia. Last year the government and the Assembly passed more than 150 legal projects and other acts, and I would like to point to some of them: the Law on Internal Affairs, the Law on the Intelligence Service, the Law on Expropriation, the Law on Elementary Education, the Law on Secondary Education, the Law on Urban Planning, the Law on Sports, the Law on Transport, and so on.

Here are some things that we had planned, but we did not complete last year for whatever reason and, if I were you, I would criticize the government for them:

We did not succeed in stopping the fall of GNP and industrial production in 1995. In our macroeconomic policy for 1995, we had planned an 0.8-percent increase in GNP and 0.7 percent in industrial production, but the figures at the end of the year were negative. There was -3 percent in GNP and -10 percent in industrial production. We only achieved better results in farming, where we had planned a rise of 1.5 percent and had one of 5 percent by the end of the year.

The sanctions in the north and the embargo in the south can partly justify these results in 1995.

We did not succeeded in stopping the negative trend in unemployment.

We succeeded in stabilizing pension payments but this is not satisfactory, because we did not manage to lower the deficit.

We did not make any substantial reforms in the state administration with the aim of making it more efficient and economic.

We are far from having won the battle against crime, bribery, and corruption as much as would have been

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appropriate for the real situation in the Republic of Macedonia.

I defined the global government policy at the beginning of my speech. I will now brief you about the direct and concrete activities that are ahead of us, naturally if we receive your confidence vote.

On foreign policy: We will continue the policy of an equal desire for cooperation with all our neighbors. The Republic of Macedonia has established diplomatic relations with all its neighbors except the FRY. All our activities so far have cleared up all the questions and we do not see any reason for postponing mutual recognition or for full normalization of relations with our northern neighbor. It is in the interest of both countries and nations.

European integration is our strategic objective. We are on the eve of negotiations on establishing mutual relations with the EU. This will require the full coordination of several ministries in the Government of the Republic of Macedonia. The further steps and timing in the association and integration of our state will greatly depend on the quality of the first agreement on economic and trade cooperation.

After Macedonia's admission to the "Partnership for Peace" program, our activities will be directed toward better cooperation with NATO with the aim of becoming a full member of this system of collective security one day.

Some criticize our foreign and general policy as being uncritically pro-European or pro-American. On this occasion, I would like to ask them to answer a question that is of the greatest importance for me: Does the present policy accomplish the basic and vital interests of our state and people? If so, then it is a just policy and it is an advantage and not a handicap for the Republic of Macedonia if it coincides with the views of important international factors.

On economic policy: We will continue with the economic reforms and structural changes. The process of privatization must be completed and at this stage it encompasses some sectors that were previously excluded with the positive law. These are as follows: agricultural companies, cooperatives, and parts of the public sector. We have a lot to do in the banking and financial system. The results achieved in stabilization must be preserved. We intend to start negotiations with the IMF and, immediately after the implementation of the stand-by arrangement, we intend to start a three-year ESAF [Enhanced Structural Adjustment Facility] arrangement, which would contain a component of structural changes and developing elements.

Nevertheless, the main topic and task of top priority for this government in the future will be turning round the industrial production and total GNP.

The essential criterion in assessing the successful work of the government this year will be seeing if we will manage to achieve any positive results by the end of 1996 after many years of falling production, so as to be able to conclude that we have finally left the bottom and that we can start talking about development and not survival.

Tamed inflation, currency stability, the lifted embargo, and the opening of the northern border certainly create a more favorable atmosphere for the accomplishment of this goal than what we had in the previous period.

One of the essential problems is the lack of capital; for financing production and for restarting closed capacities owing to the foreign factor. So we will have concentrate on all foreign credit lines, all aid, all domestic financial potential, and other resources to accomplish this task, which is not only for the government but at large, in order to revive production and exports.

There are efforts ahead for reducing the deficit in the pension fund and the debts toward the pensioners.

In this sphere we will have to stipulate a number of legal projects and I would like to point to the law on trade associations and the law on customs tariffs, which will be presented in parliament next month.

On our plans for the political system, we have ahead of us some very important projects. The Criminal Code is already going through government processing, as well as a group of other acts. In spring, the Assembly will have to pass the law on the new territorial division of the Republic of Macedonia, the law on local elections, to organize local elections and constitute new municipalities in conformity with the Law on Local Management.

I will just list a number of legal projects that will be proposed by the government in the forthcoming period and which will be aimed to complete the legal system in the spirit of global program determinations: laws on denationalization, radio diffusion activities, tobacco, water supply, public roads, university education, and scientific and research activities.

If culture is that part of our social life with which we present ourselves to the world, it is our duty to raise this sphere and the people who are involved in it to higher prestige.

I expect the new government to give a new impulse to the earlier started battle against crime, corruption, and bribery. This battle must be permanent and without

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compromise if we wish to avoid the evil that has been spread throughout some former socialist states.

The proposals that I have today presented to you make it clear that the new government will consist of three political parties: the SDSM [Social Democratic Alliance of Macedonia], the PDP [Party for Democratic Prosperity], and the SP [Socialist Party]. At some consultations preceding this session, I was informed that three smaller parliamentary parties support this proposal: the Social Democratic Party of Macedonia, Party for the Full Emancipation of Romanies in Macedonia, and the Democratic Alliance of Albanians-Liberal Party.

On this occasion, I can assure you that we are certain to score successes in all fields. I can also guarantee that I will neither spare myself nor the other members of the government.

We will work hard, honestly, and in a dedicated way to accomplish the policy goals. If we have demonstrated to the world that we can create our own independent state with peaceful means, if we have shown ourselves able to survive under blockades and sanctions, I am sure that with good will and joint efforts we can provide the Republic of Macedonia with a more successful economic future. Our motherland expects and deserves this effort.

FYROM: Future Roles of Gligorov, Andov Examined

AU2302192896 Skopje MIC in English 23 Feb 96

[FBIS Transcribed Text] Regardless of how people look upon the current political situation in the country — whether we are in a "serious political and government crisis," or "everything that's going on is normal in a democratic state," there's no doubt that outside Macedonia [The Former Yugoslav Republic of Macedonia — FYROM], all the turbulence here is subject to close analysis and conclusions. Without choosing one or another alternative, that is to say to claim if a crisis is happening or not, still, considering that a young democracy is in question here, it is understandable why the international public is interested in the future political scenery in Macedonia, or, as it is called now, the new political map of the country. In the midst of all this interest, we should be pragmatic and realize beforehand that Macedonia is viewed not because someone has a special preference for someone from the Macedonian political parties or alliances, but because it is in the nature of the foreign diplomacies not to feel comfortable when they have an unclear situation, when they are not very convinced that it won't come to any greater changes in the main course of the political life, and finally, when they are in the clear as to with whom they can cooperate and who they can count on. Certainly, a certain role is also played by the political color of, so to say, "the winner in that, in the final run, not so important game — as long as he has a tight hold on power."

Taking all of this into account, at this moment, the biggest riddle for all our foreign analysts, diplomats and diplomacies, and even the other services, is what the role of President Kiro Gligorov will be in the days to come, that is whether, despite everything, Gligorov will remain an undisputed leader in the country. Whether some want to recognize and accept that or not, still, his name in the world is identified with the Macedonian state, and the world sees a partner in him. Because, it was clear to everyone, and with a naked eye, that aside from the constitutional jurisdictions, Gligorov is the one with whom it can and should be negotiated. So, the world's attention — at least the part which is interested in the situation in Macedonia, meaning the United States, the European Union, the four neighbors and Turkey — is focused on deciphering the current intensity of President Gligorov's influence on the political, economic, diplomatic and other processes in the state, and moreover, what it will be like in the future. Can the world go on counting on his wise and moderate leadership and influence, under circumstances in which his appeals to leading political parties are not heeded and accepted? If not Gligorov, then who should be trusted? Does the "brave or, according to some 'risky move' of Prime Minister Branko Crvenkovski, and the leader of the Social Democrats, mean that he wants to step out of Gligorov's shade and is taking on a more active statesman's role? Another puzzling issue is the fate of the, until yesterday, "second man in the country," Stojan Andov, who was prematurely proclaimed by some of his circles to be the first successor to Gligorov, so, at this moment, no one is inclined to predict if he is entirely erased or just temporarily pushed aside. Those who expected official reactions from abroad had to be content with the skillfully formulated address from the U.S. State Department on February 13. It is not in the nature of the State Department to condemn or favour somebody, so if some expected Washington to try to intervene, or at least to express concern for the situation in Macedonia - they were certainly wrong. The United States has no problem with cooperating with anyone, as long as he came to power in a democratic way, which, it seems should be the comprehended from reading the first part of the message from the spokesman of the U.S. diplomacy. The support that has been given to Branko Crvenkovski ("we are confident we will be able to have a productive cooperation with the new cabinet") is still far from justifying claims, of course, at the level of speculations, that Crvenkovski's team is the one U.S. strategists have been regarding as "perspective" for some time. Of course,

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such rumors are also partly a result of the stable course of the Macedonian economy. Even though a lot of criticism can be addressed to his government on a domestic plan, the world sees thing from a different angle, in term of figures, and the one-digit inflation, the relative stable economy in conditions of two embargoes, look really impressive. Recognition of this arrived from Washington, from U.S. President Bill Clinton himself, who, on the occasion of the acceptance of the letters of credentials from the first Macedonian ambassador to the United States, on 6 February, said: "Despite the economic difficulties caused partly by the consequences from the war in the region and the embargo, your government has consistently followed the path of economic reform and has made giant strides in improving the life of its citizens. We applaud your efforts in relation to the inflation and privatization...." Crvenkovski also received support from the controversial U.S. financier and philanthropist George Soros. During his last visit to Skopje, last fall, he stated in the interview for NOVA MAKEDONIJA that "the government is interested in promoting democracy and the legal system," and that all of that "creates favorable conditions for progress in Macedonia." These statements by the controversial U.S. financier, as well as the one that "there is no misunderstanding with the Macedonian Government, especially not with the Prime Minister Crvenkovski, but obviously there are misunderstandings with President Gligorov," triggered some open discontent with the Liberal Party, which issued an announcement that openly opposed Crvenkovski to Gligorov for the first time. The Executive Committee of the Liberals described that as an "attempt of Soros to create disagreement between the Macedonian Government and President Gligorov," saying that "no minister from the present coalition should sit for even an hour in a government that could even think of choosing between Mr. Gligorov and Mr. Crvenkovski."

It is quite noticeable that the second part of the statement of the U.S. State Department, that applies to Gligorov, is formulated so carefully that it can be treated both as support of the president in his efforts to bring the constituents of the to-date ruling coalition closer together, to resolve their misunderstandings in a democratic way, and as recognition of everything he has done so far for keeping the peace and stability in this part of Europe. The statement that President Gligorov "stands and works for peace and stability not only in his country but in the whole Balkan region as well, is not only below the standard vocabulary of the U.S. diplomacy to the Macedonian president, but is also outside the vocabulary that official Washington has used so far, when talking about Gligorov. Of course, this can all be a consequence of the uncertainty of the new shuffling of cards in Macedonian politics and the uncertainty from the outcome of the present political turbulence.

FYROM: Article Queries Serb Effort To Integrate Balkans

AU2602100096 Skopje PULS in Macedonian 23 Feb 96 p 6

[Article by Eleonora Karanfilovska: "Transformers"]

[FBIS Translated Text] Dayton is so fresh that not a day passes without its being mentioned in the press several times. Dayton rearranged relations in the Balkans; it certified territories conquered in war, but also others that were defended. Nevertheless, Dayton did not accept changes of the state borders. It rearranged the forces only internally. Since Dayton, Serbia has not yet managed to regulate relations with all its neighbors and it is looking forward to changing the image of the Balkans. In the style of the best examples of the science fiction cartoon hit "Transformers," Serbia, from being the destroyer of the Balkans, is now trying to become its unifier.

It is marshalling all its forces and dispatching them throughout the world with slogans like: "Balkans for the people of the Balkans" and "Into Europe through united Balkans." As if the others had also transformed themselves and forgotten. However, there are some who have long awaited these slogans to show the "good relations" and "joint engagement" under the shield of cooperation and cooperativeness.

However, mouths filled with "Balkans" (like "Yugoslavia" until a while ago), "integration" (like "brotherhood and unity") or the "foreign enemy" transformed into "foreign forces and interests that destabilize the region" are not a Serbian idea after all, or not just Serbian. Such ideas have been rolling around for some time, not only from here, from this region, but particularly from Moscow. The idea is as follows: Let the people of the Balkans arrange their relations themselves — you, the others, are not able to understand them any way — they will agree, there is good-neighborliness there, economic cooperation will flourish, there will be a customs union and a united Balkan market. It is the only way it can compete with the European market, and only a united Balkans can hope to join Europe.

The process is retrogressive but it finds fertile soil. The crop is coming up and the "fruits" are visible. The problem now is who is going to pick the fruit. That is why the picking has started so early, even though the fruits are bitter and sour. It so happened that the Serbs and Bulgarians have put out the same thesis — Belgrade's Prime Minister Kontic on Bulgarian

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television, and Sofia's Prime Minister Videnov in his statement on the discussions with Milosevic, the way he had understood the meeting. He was not the first who "had understood" the Serbian president differently. Perhaps Milosevic had really supported the idea of stronger Balkan integration, but surely not the Bulgarian author's right to it, as Videnov tried to explain. How could Milosevic have done this, knowing that his wife Mirjana Markovic, after Romania and Bulgaria, was at the same time "selling" to Greece her president's old idea for confederation transformed into "a community of Balkan nations"?

The name may have changed, but it was not long enough ago to forget that Milosevic had proposed to former Greek Prime Minister Mitsotakis that they divide the Republic of Macedonia [The Former Yugoslav Republic of Macedonia FYROM]. The proposal was rejected, and now another proposition has been put forward by Belgrade political analyst Tomislav Kresovic — "relations with Bulgaria are important for the FRY, particularly now that there are not any territorial disputes, which were eliminated after Macedonia's independence." All right, where could their territorial disputes be located on Macedonian territory? Macedonia has become independent, yes, but Serbia has yet to accept this fact and recognize its territorial integrity, after which it will not have any territorial disputes with Bulgaria in this respect. If it were not for Europe, to which the Serbs so much "aspire" at the moment, it is not very likely that it would do so [recognize Macedonia] at all. "The interests of the superpowers are intermingled in the Balkan region, and a rearrangement of the Balkans is needed in order to stop the promotion of cooperation among the Balkan countries," Prime Minister Kontic has warned. However, had it not been for the superpowers' great interest in rearranging the Balkans and thus strengthening pressure on Milosevic, who knows for what aims the recognition of Macedonia would have been used! Perhaps Milosevic would have found somebody prepared to accept things the way he proposed. In this way, recognition of Macedonia has become a must for Serbia if it wishes to join the world community. However, the press is preoccupied with this issue and the people have once again started to wait for the "event" as in the "best times" of the European Union's non-recognition and the dispute with Greece. By the way, there was purely journalistic speculation about whether Milosevic would visit Skopje before or after this event, and the whole situation was treated as a "top story."

In the meantime, Belgrade television made it possible for us to see the friendly companionship of Milosevic and [FYROM] deputy assembly chairman Blagoje Filipovski, accompanied by prominent members of his Socialist Party, something that we were deprived of with the Gligorov-Milosevic meeting in Dobanovce. Afterwards we heard that the video impression was right — the talks were held in a sincere and friendly atmosphere, and focused on the "present trends and stabilization of the situation in the Balkan region, as well as to development of Belgrade-Skopje relations." The journalists were again blamed because the agreement on a customs union with the FRY was denied after the delegation's return. President Gligorov has rejected the same initiative that Milosevic had offered to him on several occasions — in Ohrid 1993, in Dobanovce in 1995, as well as now, during the drafting of the so eagerly awaited agreement on normalization of relations that we have so much "studied up." President Gligorov was not given the same media treatment as the prominent members of the Socialist Party of Macedonia. Milosevic, however, has got it here, daily, although he has not arrived here yet.

The Republic of Macedonia, unlike some other Balkan countries that wish to reman so [Balkan], projected its road clearly a long time ago — it is in favor of integration, but European, because every separate admission of the countries in the European Union is a gradual integration of the region as a whole. The "altogether" policy belongs to another time.

When it is recognized by the FRY, the Republic of Macedonia will be able to say that it has completed the process of its integrity and sovereignty and that it has affirmed its place among its neighbors. However, the struggle for independence is by no means over. The efforts of the journalists after the assassination attempt against the Macedonian president, following the statement of the then interior minister about the involvement of a multinational corporation, have uncovered a network of interrelated economic and political interests that are difficult to monitor. This shows how changeable the category of independence is. Let us not allow a situation in which we may be surprised by a possible economic Balkan "integration."

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Poland: Prosecutor's Office on Progress in Oleksy Case

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[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] The Warsaw Military District Prosecutor's Office has reported that the investigation regarding the accusations against former Prime Minister Jozef Oleksy is entering its decisive phase. As long as no unforeseen difficulties arise, decisions will be made before 24 April, we read in a communique from the Prosecutor's Office. [Unidentified correspondent] The prosecutor has already questioned several dozen witnesses. Experts are also carrying out specialist analyses. The work of the Prosecutor's Office is based upon the verification for purposes of trial of Internal Affairs Ministry operational materials supplied by Andrzej Milczanowski in December. Successive witnesses will be interviewed in the coming days. The Prosecutor's Office is waiting for additional material proof and documents from the State Protection Office [UOP], which have so far not been received despite the Prosecutor's Office having requested them.

Two decisions are possible: On the suspension of accusations against Jozef Oleksy, if according to the Prosecutor's Office the material proof transpires to be inadequate; the prosecutor may also make an accusation against Oleksy, but he will then have to seek the lifting of the [parliamentary] immunity of the former prime minister.

The Prosecutor's Office intends to address the extraordinary Sejm Commission with a request to make available materials it has selected.

General Czempinski, head of the State Protection Office, questioned today by the commission, said that he will examine the case of the accusations against UOP that were renewed yesterday by Minister Miller, who claims that in 1992 UOP offered the Russian special services cooperation in the struggle against the Polish Left. General Czempinski also said that he will be searching for the informer who Minister Miller yesterday refused to disclose.

[Begin Czempinski recording] Traditionally, it is UOP that ought to seek a source outside and not sources within UOP. So, this does rather look as if roles have been reversed. Obviously I will be seeking out all sources. [end recording]

[Correspondent] Former Interior Minister Andrzej Milczanowski denied the accusations made by Minister Miller. He said that, on his instruction, as the head of UOP, in November 1991 a group of officers traveled to Moscow on the case of the loan from the CPSU granted to the PZPR [Polish United Workers Party]. Milczanowski said that this was straight after the putsch, when Yanayev was in jail.

[Begin Milczanowski recording] An investigation was in progress on the issue of the funds for the PZPR. And, well, this was an excellent, convenient opportunity. The moment, in the best sense of the word, was chosen to obtain materials, which were indeed in any case obtained. On the other hand, that this was to have, could have witnessed to any sort of conspiracy against the Polish Left, then I deny this as firmly as possible, absolutely. [end recording]

[Correspondent] Milczanowski rejected the thesis that, in the Sejm speech in which he had revealed the Jozef Oleksy case, he had broken the law on UOP. Milczanowski recalled that he had been obliged to speak in the Sejm by a parliamentary resolution.

Poland: CBOS Poll Shows Opinions on Oleksy Case

WS2302131796 Warsaw GAZETA WYBORCZA in Polish 23 Feb 96 p 2

[Report by "KNYSZ": "CBOS Poll: What Do We Think of the Oleksy Case?"]

[FBIS Translated Text] According to 76 percent of Poles, the charges leveled against former Prime Minister Oleksy are "further political stratagems."

A mere 13 percent of those polled by the Public Opinion Research Center [CBOS] describe the current political situation in Poland as a "serious crisis of state." Yet as many as 40 percent believe the Oleksy case might influence Poland's international image. One in three of those polled maintains that the influence might be minor, and 12 percent that it will have no influence at all. Simultaneously, 55 percent agree with the statement that "in making the decision on whether to accept Poland to NATO, the West will be guided by its own interests, without paying attention to incidents such as the Oleksy case," as compared with 27 percent who think the opposite. Ever since the Oleksy case was publicized, the numbers of people who claim the former prime minister is guilty and those who believe he is innocent have not changed: 38 percent say he is innocent, 25 percent that he is guilty.

The poll was carried out between 2 and 6 February on a representative, nationwide group of 1,205 adult Poles.

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Poland: Kwasniewski's 'Admonition' To Adopt Constitution

WS2302131896 Warsaw RZECZPOSPOLITA in Polish 22 Feb 96 p 4

[Article by Marcin Dominik Zdort: "Kwasniewski Intimidates Parliament"]

[FBIS Translated Text] *Aleksander Kwasniewski has proposed the election of a Constituent Assembly [Konstytuanta] along with a new parliament in the first half of next year. However, even Kwasniewski's aides do not treat the president's intent seriously, believing that broaching the intent to the public is aimed at mobilizing the Constitutional Commission of the National Assembly [KKZN] for more intense work. Yesterday the president received the new chairman of the KKZN, Marek Mazurkiewicz, who assured Kwasniewski that the draft will be ready by the end of June 1996.*

A Would-Be Father of the Constitution

Following the parliamentary elections in 1993, Kwasniewski became KKZN chairman. He promised at that time to make the draft constitution ready by mid-1995 at the very latest. The opposition maintained that Kwasniewski, a Democratic Left Alliance [SLD] candidate, would like to take part in the parliamentary elections as the main author of the basic law draft. The Freedom Union [UW] even brought a motion to suspend work on the draft constitution for the period of the election campaign. "Mr. Kwasniewski wants to participate in the elections as the father of this constitution," Jerzy Chmielewski, of UW, commented. Despite the fact that the majority of KKZN members rejected the UW motion, the draft constitution was not prepared before the elections. In spite of this failure, Kwasniewski won the elections and had to quit his parliamentary seat and the post of KKZN chairman. The final decision was not expedited by the election of Wlodzimierz Cimoszewicz as head of the KKZN because he had to resign this function after assuming the duties of prime minister. Recently, Marek Mazurkiewicz, another SLD deputy, was elected KKZN chairman.

An Exact Photograph

So, a week ago, in an interview given to POLITYKA, the president disclosed his "alternative plan." If the present National Assembly should fail to adopt the draft constitution, then, during the new elections—most likely in mid-1997—a Constituent Assembly should be elected. It would be a constitutional body. "The point is in creating a body of several tens of people with a single task of preparing the draft constitution," Marek Siwiec, secretary of state in the Presidential Chancellery, explains. The Constituent Assembly members would be elected by Polish citizens in fully proportional elections, "which could ensure the full proportionality of this body," Kwasniewski emphasized. "The Constituent Assembly would be an exact photograph of the current political configuration," Siwiec asserts. Let us recall that the idea of creating the Constituent Assembly appeared many times in statements of politicians not elected to parliament who questioned the representative nature of the Sejm and the Senate following the 1993 elections.

An Admonition Will Be Enough

The president announced that he is ready to come up with a legislative motion to parliament to make appropriate changes in regulations; this, however, would be connected with a change of the constitutional law of 23 April 1992. This law stipulates that a draft constitution has to be prepared by the KKZN. Subsequently, the draft should be approved by the National Assembly and submitted to a referendum.

Deputy Krzysztof Janik, a member of the KKZN and under secretary of state in the Presidential Chancellery, believes that the eventuality envisioned by Kwasniewski will not take place. "I do understand the president's anxiety, but I think this proposal is an attempt at mobilizing the KKZN. I think that this admonition will be enough for the draft to be ready before the end of parliament's term," said Janik.

Marek Siwiec claims that there is no stalemate in the KKZN, but the president should keep his proposal "in reserve." "The president thinks the constitution should be adopted soon, one way or another," Siwiec says.

Poland: Kolodko Defends Himself Over Tax Deductions

LD2302233396 Warsaw TVP Television Second Program Network in Polish 2000 GMT 23 Feb 96

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] The fact that honest people may make gifts and take them as tax deductions is my achievement and not my error, Deputy Prime Minister Grzegorz Kolodko said in repulsing accusations that this provision creates opportunities for abuse.

[First unidentified correspondent] In accordance with the law on individual income taxes, every taxpayer has the right to deduct from taxable income gifts for philanthropic and educational purposes and gifts in kind, but to a level of no more than 15 percent of his income. One person may not receive a gift of more than 6,100 zlotys. An agreement signed by the people giving and receiving the gift serves as proof. Grzegorz Kolodko

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admitted in Legnica the day before yesterday that he feels broken by the abuse of this entitlement through the signing of fictitious agreements. Grzegorz Kolodko accused journalists to the effect that the latter part of this statement had been erroneously presented by the media.

[Begin Kolodko recording] In Legnica I replied to a question from a colleague of yours: Deputy Prime Minister, have you yet signed an agreement on gifts with your neighbor and set off the money from your personal income tax? I then replied: Sir, I am an honest man and not a rotter and a rogue, and I will not participate in such practices. And over and above that, once, yes, I did make a gift to the Poznanskie Slowiki Foundation of Professor Stuligrosz, and I did this and then took it as a deduction. On the other hand, television viewers did not know what the question was and did not hear the entire reply, only something about rotters and rogues, the consequences of which I have been bearing until this moment. [end recording]

[First correspondent] The deputy prime minister agreed to an interview about gifts so long as we present the question and answer in full.

[Begin recording] [Second unidentified correspondent] Is the legal loophole, as Prime Minister Cimoszewicz called it, associated with the exploitation of tax allowances on gifts your fault, and will you seek to change this in the course of this financial year?

[Kolodko] The most important thing is for us make proper use of this advantage that we have created in our taxation system. And, ladies and gentlemen, it is possible to make gifts, presents, and deduct them from taxable income, provided it really takes place—and in this sense this is not a loophole. On the other hand, a loophole, not so much in the system as in adherence to the law, would be abuse of this advantage and the contraction of fictitious agreements, which is something some people are encouraging. And this will be censured, in accordance with the law in force, together with the penal and financial consequences, sometimes very painful in this respect. [end recording]

[First Correspondent] Yesterday, Prime Minister Wlodizimierz Cimoszewicz admitted that the government, parliament, and the minister of finance are responsible for the loophole that has arisen, adding that fictitious gift agreements might reduce budget revenues by several billion zlotys. Leszek Balcerowicz also made the accusation that an error had been committed.

Leszek Miller, head of the Office of the Council of Ministers [URM], admitted that responsibility for the content of the law is also borne by the minister of finance.

[Begin Miller recording] Please do not encourage me to a further stage of the worsening of relations with the minister of finance. On the other hand, I will just say to you that it is not possible to evade responsibility. Every law has its author. And every draft law that comes to a meeting of the Council of Ministers is signed. It is not anonymous. [end recording]

[First correspondent] Grzegorz Kolodko said that he does not know who has been saying what, but that parliament last year adopted the taxation law establishing a six-point scale of taxation that regulated in precise fashion the matter of gifts. After it was rejected by the Constitutional Tribunal, the government on 19 January presented to the Sejm a draft of a new law, and so far the first reading has not yet taken place.

[Begin Kolodko recording] I do not feel any individual responsibility at all. I have done my duty. On the other hand, if someone does not like the road I am taking, he has a clear road ahead, but let him use such methods as will not destroy him as well. I do not know who has said what, and I am not afraid of this because the facts are as I say at this moment. And thus I ask: Why does parliament not make certain decisions? After all, this is a legislative matter. [end recording]

[First correspondent] The deputy prime minister gave assurances that Treasury chambers will be checking the credibility of the gift agreements presented to them from the point of view of the people receiving gifts as well.

[Begin Kolodko recording] Let no one think that if he puts his name forward as the recipient of a gift he will not fall into... [pauses] ...that he will not suffer penal-financial consequences for this reason if he signs a false statement. We will protect honest taxpayers. [end recording]

[First correspondent] In Grzegorz Kolodko's view, were taxpayers to take advantage solely of honestly contracted gift agreements, this would in no degree reduce state budget revenues.

Poland: Christian National Union Chairman Resigns

LD2402121996 Warsaw Polskie Radio First Program Network in Polish 1105 GMT 24 Feb 96

[FBIS Translated Excerpt] Ryszard Czarnecki has submitted his resignation from the post of chairman of the Christian National Union [ZChN].

The fifth extraordinary congress of the ZChN is taking place in Czestochowa [central Poland]. The opposition

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inside the party accused Czarnecki of making serious political mistakes by supporting the candidacy of Hanna Gronkiewicz-Waltz [Polish National Bank, NBP, president] for president and said that, by his lack of resolve, he allowed the party to be pushed to the margin of politics. [passage omitted]

Among Czarnecki's most likely successors are Jan Lopuszanski and Marian Pilka.

Poland: ZChN Cairman Pilka Speaks on Possible Alliances

LD2502132196 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 25 Feb 96

[FBIS Translated Text] Marian Pilka, new chairman of the Christian-National Union [ZChN], has ruled out the party's coalition with the Freedom Union [UW].

He accused the Union's activists of making it possible for the communists to take over power after 1989. The ZChN chairman also criticized UW for the formation of coalitions with the Democratic Left Alliance in certain cities.

On the other hand, Pilka came out in favor of entering into an agreement with Solidarity, the Patriotic Camp, and the Non-Party Bloc in Support of Reforms.

The new ZChN chairman said that his most important task will be, as he put it, to make the party structure more dynamic.

Poland: PPS Elects Leaders, Reunites 2 Factions

LD2502133296 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 25 Feb 96

[FBIS Translated Text] Jan Mulak has been elected chairman of the Supreme Council of the new Polish Socialist Party [PPS]. Andrzej Lipski was elected chairman of the PPS Central Executive Committee.

The reunification of the two factions of the PPS took place today. One faction was led by Jan Mulak, who said that the unification congress shows that the PPS has a chance for active participation in Poland's political life.

Piotr Ikonowicz, who headed the other faction, said that the PPS wants to inspire a dialogue between the Democratic Left Alliance, the Polish Peasant Party, and Union of Labor [UP].

Aleksander Malachowski, deputy Sejm speaker from UP and a guest at the congress, was skeptical about the creation of a center-left coalition.

On the other hand, Leszek Miller, deputy chairman of Social Democracy of the Polish Republic [SDRP], said there is a lot of space on the left, and, to succeed in next year's parliamentary elections it is necessary to merge, as he put it, many small streams into a dynamic river. He said that the SDRP and the PPS are such small streams.

Poland: Poll: Growing Popularity of Left-Wing Leaders

LD2402214496 Warsaw TV Polonia Network in Polish 1830 GMT 24 Feb 96

[FBIS Translated Excerpt] It transpires from a poll conducted by the Public Opinion Research Center [OBOP] that Jacek Kuron and Aleksander Kwasniewski are the most popular Polish politicians. In comparison with the poll conducted in December, new Prime Minister Wlodzimierz Cimoszewicz has gained the most popularity, and his predecessor, Jozef Oleksy, has lost the most.

[Correspondent] In the poll, which was conducted by OBOP between 10 and 13 February—that is, after Wlodzimierz Cimoszewicz's government had been sworn in—two-thirds of the people polled said they liked Jacek Kuron, and over 60 percent said they liked Aleksander Kwasniewski. Sejm Speaker Jozef Zych, Civil Rights Ombudsman Tadeusz Zielinski, and Prime Minister Wlodzimierz Cimoszewicz are also among the most popular figures. [passage omitted]

According to the OBOP poll, Andrzej Lepper from Samoobrona and former Justice Minister Jerzy Jaskiernia are the least popular people.

In comparison with the December poll, support for the current prime minister, the Sejm speaker, and the president has increased. Jozef Oleksy has lost the most in his popularity rating.

OBOP tested 1,150 people over age 16. The permissible margin of error is 3 percent.

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Romania: PUNR Communique Condemns U.S. Envoy's Remarks

AU2402213796 Bucharest Radio Romania Network in Romanian 2000 GMT 24 Feb 96

[FBIS Translated Text] Today the press office of the PUNR [Romanian National Unity Party] issued a communique referring to the opinions expressed by Mr. Alfred Moses, U.S. ambassador to Bucharest, during his visit in Cluj-Napoca.

The communique points out that, quote, the assessments and labelings referring to the PUNR, as well as other political parties, terming them as extremist, represent a regrettable exceeding of the competence pertaining to the mandate of the ambassador and a flagrant violation of diplomatic norms, unquote.

Furthermore, the communique also voices, among other things, the PUNR's belief that this gesture of Mr. Alfred Moses does not represent either the foreign policy line of the U.S. Administration or the feelings of the American nation.

Romania: Minister, Police Chief Comment on Organized Crime

AU2502202596 Bucharest ADEVARUL in Romanian 15 Feb 96 pp 1-3

[Statements by Interior Minister Doru Ioan Taracila and Police General Inspectorate Chief General Ion Pitulescu; in Bucharest on 14 February — "General Pitulescu Resigns To Protest the Authorities' Complicity With Organized Crime Gangs"]

[FBIS Translated Excerpt] *The statement made yesterday, during a news conference that was expected to be a routine one, by Division General Ion Pitulescu, the head of the Romanian Police, came like a bolt from the blue. Following Minister Ioan Doru Taracila's speech detailing the activity and results obtained in 1995 by the various departments of the Interior Ministry, Ion Pitulescu took the floor. Visibly moved, the general presented an entire list of charges against the authorities, including the police, accusing them of complicity in covering up crimes of extreme gravity, all carried out by organized crime gangs who took control over the country. Being consistent with his own statement, Mr. Pitulescu then announced that that morning, as a sign of protest, he had handed in his resignation to Prime Minister Nicolae Vacaroiu.*

Crime Networks Have Penetrated the Highest Echelons of the Juridical Bodies

Minister Taracila: "In connection with organized crime I would like to present some general issues to you. In post-December Romania fundamental changes have occurred on the economic and social plane, but also in the structure and dynamics of the crime phenomenon. The circumstances favoring the development of organized crime have expanded. However, this phenomenon is not to be found, under any name, in of our country's laws, not even in the Penal Code. Organized crime is a form of association of several criminal groups with the intent to carry out illegal and covert actions that yield substantial financial profit, which is then used to penetrate the existing legal bodies, up to the highest echelons. Currently in our country there do exist social-economic, as well as crime-generating circumstances stimulating organized crime, and there is an obvious tendency to connect the latter to the global integration process of criminal organizations currently going on in various countries of the world, beginning with the Chinese triads and the Japanese yakuza, and ending with the classic mafias in the United States and Sicily, but also those in Russia, Chechnya, Uzbekistan, and Georgia. From the information we have it results that criminal organizations send their hands abroad, and thus their acts of smuggling, drug trafficking, luxury automobile theft, prostitution, laundering dirty money by means of commercial activities, the penetration of the financial-banking system, dealing with counterfeit money, and illegal transferring of capital abroad are taking place at the international level. In 1995 the specialized brigade of the IGP [Police General Inspectorate], which was founded three years ago, unearthed and solved 3,565 crimes, most of which consisted of drug trafficking, pimping, dealing with cars stolen abroad, money counterfeiting, as well as extremely violent acts between rival gangs. According to our analysis, Romania is currently in the debut phase of organized crime.

"We have started only recently to talk about the laundering of dirty money in our country. This phenomenon is in full expansion and causes considerable losses to the Romanian economy. Our country still lacks the necessary juridical regulations that could halt the accumulation of illegal capital achieved by dealing in drugs, arms, and radioactive materials, as well as by means of smuggling, fraudulent bookkeeping, or tax dodging. There is not a single normative document compelling the financial-banking institutions to identify and report to the authorities the financial transactions in cash or other suspicious deals that could be used as cover for money-laundering operations."

The Big Mafia Bosses Are Set Free, While Petty Criminals Are Forgotten in Jail

Ion Pitulescu: "If you and Mr. Minister will allow me, I will comment on certain issues and express some

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personal conclusions referring to the way in which justice is being reinforced in Romania, as well as the perils we will be facing in the very near future. Considering that one may find shocking what I am about to say, I have to point out that I am not trying to be sensational and that the conclusions I will present are strictly my own, without involving in any way either the leadership of the Interior Ministry or that of the IGP.

"Gentlemen, justice is increasingly less efficient in preventing and combating crime. Principally, this inefficiency comes from the fact that we come across an increasing number of court rulings passed leniently, but also rulings that are not covered by the law or are illegal, which obviously favor the lawbreakers. The danger is even greater if one considers that such lenient and favor-making rulings are handed down in cases involving big mafia bosses, that is, the dangerous criminals who perpetrate antisocial acts which have an exceptionally negative impact on society.

"More recently, following attacks in the press against unjust court rulings, the slogan has begun to be circulated that criminal investigations with the defendants at large should be the rule, whereas investigations with the defendants under arrest should rather be the exception. I do agree with this myself, but may I ask: Why do they apply this principle in the case of big mafia bosses, the big criminals, and the white-collar criminals only? Why do they not apply the same principle in the case of petty lawbreakers as well, who perpetrated crimes of a lesser peril for society, the losses caused by them being very small, and who are kept under police arrest or in jail, as if they had forgotten about them, their trial days not even being scheduled? I would understand such a principle if the circumstances in the country were normal, but I do not understand its exaggerated expansion in a society going through the transition period, such as ours, in which the crime rate has grown so much, and in which we are facing and fighting special forms of crime, especially organized crime.

"Any juridical expert, penal prosecutor, or crime expert knows that during periods when crime is on the rise and amplifying, the principal prevention tool is to penalize as drastically as possible, to be severe, either by temporarily applying harsher laws or by passing prison sentences that are closer to the upper limit than to the lower one, and, in case of aggravating circumstances, those limits should even be exceeded. Furthermore, prevention could also be achieved by cutting down releases on bail or parole. However, gentlemen, look around and see for yourself what is happening in our country. What is happening here is exactly the opposite. Each time we analyzed our work, during every news conference I held, I always pointed out the grave rise in crime in Romania. I pointed out the steps we are taking to stop that phenomenon, so as to avoid having to face situations that are similar to those in Bulgaria, Ukraine, Slovakia, and even Hungary. The way it is now, each time we have to struggle against big mafia bosses we also have to go to war with the courts. This is not right, gentlemen." [passage omitted]

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Slovenia: Bank of Slovenia Data on Foreign Debt

AU2202150496 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 21 Feb 96

[FBIS Translated Text] According to data published in the latest issue of the Bank of Slovenia bulletin, Slovenia's foreign debt at the end of 1995 amounted to $2.96 billion, which represents a 30-percent increase in comparison to the year before.

Nearly 98 percent of the entire debt represents the long-term debts, a little less than 2 percent, that is $56 million, represent the short-term debts, and $4 million represent the IMF funds used.

In its bulletin, the Bank of Slovenia also states that Slovenia by the end of January paid $143.04 million of unallocated [SFRY] debt to the fiduciary bank account with Dresdner Bank in Luxembourg.

Slovenia: Privatization Program Assessed

96BA0183A Ljubljana FLANEUR in English Dec 95 pp 48-49

[Article by Vida Petrovcic: "We Exchanged Our Certificates for Shares"]

[FBIS Transcribed Text] The director of the Agency for Restructuring and Privatization, Mira Puc, believes that the process of privatization is slower in Slovenia than in any other central European country because it had reached the highest level of social consensus on the privatization law, as compared to other countries. Even though the Government extended by six months the deadline by which certificates would have to be invested, which means that this phase of privatization should be concluded by mid-1996, it believes at the same time that privatization in Slovenia is moving forward at a sufficiently rapid pace and mainly in a correct and precise manner.

A year and a half has passed since the relatively complicated privatization law and its by-laws was adopted, before those implementing the privatization learned the law and got used to it. After this period, the pace of privatization was the same as elsewhere in central Europe. As regards the security of the ownership certificates, of which the Government issued DM 8.5 billion in value, even some experts from abroad are convinced that Slovenia developed the most precise system so that forgery of certificates or its amounts is virtually not possible. This was a problem in all other countries.

Internal Purchase Or Public Sale

The Agency for Restructuring and Privatization has up to now already authorized almost 900 privatization programs out of a total of some 1,400. Around 500 programs are still being processed. In mid-October privatization has been fully finalized in 342 companies. There are some estimates that the value of the total socially owned capital which is subject to privatization is around DEM 13.5 billion, which should represent 60 percent of the value of the economy as a whole. The market value of the programs approved so far is 411 billion tolars. The Agency approved the largest number of privatization programs in December 1994—fifty. Among the companies that have already received a green light to privatize, more than half are in industry and construction, followed by trading companies, then by companies in finance and business services. By regional distribution, the largest number of programs approved, 42 percent, came from Ljubljana, 13 percent each came from Maribor and Celje, less from other regions. By the end of this year over 100 companies will for one reason or another become the property of the Development Fund of the Republic of Slovenia. These companies will be subsequently privatized. As to privatization forms, the internal purchase of a company predominates, followed by internal distribution and public sale. The Agency for Restructuring and Privatization has up to October 1995 approved another 73 programs for public sales with a capital value of 74.4 billion tolars.

The Slovene Government completed a survey on public opinion regarding shareholding and trading securities covering the opinion of 1,133 individuals. The survey was financed by special funds from the organization Phare granted especially for this purpose. The survey considered privatization in the context of other current problems in Slovenia, determined where people have already or will in the future invest their certificates, as well as established how well were people informed about privatization and what served as a basis for their decisions.

Results

The results indicate that privatization is not a specially burning problem with Slovenes. By "severity" it had been overtaken by unemployment, environmental pollution and non-application of the rule of law. Up to October 1995, 82.7 percent of citizens have invested all or parts of their certificates. Most, 35.2 percent, invested certificates into investment funds, a somewhat smaller percentage invested their certificates into their companies through internal distributions, while 18.2 percent used their certificates to purchase shares in public sales. Four point two percent of those surveyed do not intend to invest their certificates anywhere. In this case the certificate would be wasted because a certificate is merely a reservation for shares. A number of experts are still

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trying to figure out how to resolve the question of the possible residuals on the certificate accounts.

More than half of those investors still are participating in public sales. For example, in October and November, Petrol, the Slovene oil corporation, was given the most of this type of attention.

When the process of collecting certificates is concluded, the role of the citizens will not be finished in this most important transitional process. More important than the actual decision where to put one's certificate will be the handling of shares in the market. There will certainly be more choice for "portfolio management" than there are today because by then public service companies in the economy will also have been privatized, most importantly banks and insurance companies.

Slovenia: Ljubljanska Banka Debt in Croatia Viewed

AU2602112796 Ljubljana MLADINA in Slovene 20 Feb 96 pp 19-21

[Report by Stanislav Kovac: "Downfall of Ljubljanska Banka"]

[FBIS Translated Text] On the fifth floor of a skyscraper on the Square of Republic 3, one comes across a door bearing the inscription Ljubljanska Banka [LB], stockholding company. Behind the doors lurks the remnant of something that a few years ago personified the most trustworthy segment of the Yugoslav banking system. A couple of computers and a few staff are all that remain of the collapsed banking giant that does not even have a safe for the bank's employees to put their customers' money in. In the few years since the disintegration of Yugoslavia, LB has dwindled into a bank without a safe or customers that is mainly only adding up the interest incurred on old debts and reading about court cases instigated against it by its savers. The bank closed its doors to the last customer on 1 January 1996 when the LB Zagreb branch shut down its office and moved the rest of its business to the bank's headquarters in Ljubljana.

Bypass Nova LB

In July 1994 the State Chamber behind tightly closed doors passed amendments to the constitutional law whereby the Slovene state formed a bypass bank named Nova LB. With the formation of Nova LB all assets and business of LB were transferred to it. The shell of the old LB only retained potential obligations toward the consortium of commercial banks, amounting to $4.2 billion (the Yugoslav debt) and LB's obligations stemming from the foreign currency deposits by the savers in Zagreb and Sarajevo branches of LB, amounting to approximately 1.2 billion German marks. At the same time the bank's shell also maintained the foreign currency claims toward the National Bank of Yugoslavia [NBJ], where a portion of the foreign currency deposits by the Croatian and Bosnian savers had been deposited. By guarding carefully the state secret about the formation of Nova LB, Drnovsek's government prevented foreign commercial banks-creditors from seizing LB's assets abroad. The formation of the new bypass bank also prevented depositors from the Zagreb and Sarajevo branches from recovering their deposits from LB in the Slovene courts prior to the completion of the negotiations on the SFRY's succession. By amending the constitutional law, the bank headquarters in Ljubljana were transformed into Nova LB and finally stopped financing the Zagreb branch. Up until July 1994 Ljubljana LB would send $300,000-$600,000 to Zagreb each month, which was used to finance the branch's operations and pay for the lost court cases that depositors had instigated against the bank. A few months after cutting the financial umbilical cord between Ljubljana and Zagreb the Croatian branch in November 1994 closed down the remaining 18 offices in Croatia and transferred the operations to Savska Ulica in Zagreb, whose doors closed on 1 January 1996.

Fateful Decision

The roots of the 1.2 billion German Marks [DM] debt to the savers of the Zagreb and Sarajevo branches of LB go back to the beginning of 1990. The LB leadership of the time, parallel to the major reorganization of the LB's banking system, decided to incorporate what was at the time an autonomous Osnovna Banka LB in Zagreb into the Slovene system of LB. The same thing happened to other LB branches throughout Yugoslavia, which all became part of the mother bank in Ljubljana. With this action LB overnight assumed responsibility for the payment of all obligations that its Yugoslav branches had toward its savers. In 1990 and 1991 it transpired that this decision by the most responsible people in LB was almost fatal for the bank. With the disintegration of Yugoslavia and Slovenia's gradual exclusion from the dinar and foreign currency systems, the NBJ cut all financial ties with LB. The economic and political crisis as well as the approaching danger of war resulted in savers rushing to the tills of LB branches in other republics. They suddenly demanded their foreign currency deposits from LB branches. LB in vain turned to the NBJ, which had an outstanding foreign currency debt toward it, and requested fresh dinars from the Topcider money mint by which it would purchase foreign currency to pay out the deposits to the savers. Because LB did not get the dinars, it was unable to meet the demands of the depisors in its

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Yugoslav branches and pay out the demanded foreign currency deposits. The conflict with the depositors in the Serbian branch of LB was avoided following the notorious solidarity meeting with the Albanian miners in the Cankar Hall, when the Serbian republican authorities simply nationalized the LB branch and, thus, also assumed the obligations toward the depositors. The LB branch in Skopje after 1991 came under the auspices of the Macedonian state and received the same treatment as other Macedonian banks. Left outstanding were the debts of LB Zagreb and Sarajevo branches. In the first case the debt, together with the interest, amounts to approximately DM930 million and in the second to about DM240 million. At the news conference of Nova Ljubljanska Banka last week, Managing Director Marko Voljc announced that a several-year dispute with the Zagreb branch was soon to be followed by a similar one with LB Sarajevo branch.

The Croatian Debt

With Slovenia's financial independence in October 1991, the LB branch in Zagreb became a foreign bank and according to the prevailing federal legislation of the time was not allowed to conduct business on Croatian territory. Serious operational problems arose at the beginning of 1992 when the LB branch was only granted a temporary license from the National Bank of Croatia; its operations were limited because it was not allowed to engage in payment operations and foreign currency transactions abroad. This particularly hindered the financial cooperation of LB with the Slovene enterprises and diminished the bank's chances for gradual repayment of the foreign currency debt to Croatian depositors from ongoing business. Simultaneously, the Croatian government passed a decree freezing the assets of the Slovene companies in Croatia, which additionally restrained the trade between the countries and shrunk the scope of operations of Zagreb LB branch. As a precondition for the normal functioning of the LB branch, the Croatian side all the time demanded the settlement of its debt to the Croatian savers, which in 30 September 1992 amounted to DM840 million (and has since, with the interest, swelled to DM930 million). Of this sum, depositors transferred DM540 million from the LB branch to other Croatian banks and through them into Croatia's public debt. The remaining DM300 million represent LB's direct obligation toward the Croatian depositors.

540 Million German Marks

With political and economic independence in 1992 the Croatian state, like Slovenia, found a way to patch up the foreign currency hole that had emerged between the Croatian commercial banks and the NBJ. It promised foreign currency savers to pay them out of the foreign currency deposits that the NBJ should have paid over the next few years in various ways. Simultaneously our neighbor pressed obligations against the NBJ, which it will try to recover in the negotiations on the succession of the disintegrated country. Like all other Croatian citizens, depositors in the Zagreb branch of LB had an opportunity to transfer their savings from the LB branch into any Croatian bank and, thus, into the Croatian public debt. The majority of depositors chose this option. The transferred share of obligations amounts to DM540 million marks and at the moment with interest stands at DM630 million. The Croatian side in the negotiations on the solution for this portion of the Zagreb LB branch debt persistently maintained that the transferred obligations represent the demands of the Croatian state toward the Slovene state. They justified their demand by saying that the Croatian savers merely transferred their demands from the LB branch into the Croatian national debt, and from then on toward the Slovene state, which owns LB. The Slovene negotiators espoused a diametrically opposed negotiating stance regarding this portion of the debt. This stance was a little more than a year ago explained by [Finance] Minister Mitja Gaspari in an interview with our paper as follows: "We say that as regards the DM540 million the Croats made the same mistake as the LB management did, looking from today's point of view, at the end of 1989, when it incorporated what used to be an independent bank into the overall LB system. Therefore, the Croatian state cannot sue LB and through it the Slovene budget for DM540 million but only the NBJ and it should do so within the negotiations on the succession of the former SFRY."

DM300 Million

The negotiations on the rest of the debt in the amount of DM300 million took an entirely different route. This is the debt that was not transferred to the Croatian state and about which National Bank Governor Dr. France Arhar once said "the relationship between a citizen and a bank is clear. Apart from those who had decided to transfer claims on the Croatian state, the people hold LB savings books." The possession of a savings book represents a civil and a legal contract between a depositor and the LB branch in Croatia, and for that reason the depositor can at any time press charges against the old LB in Ljubljana. Henceforth, the indirect announcement from the first man of the Slovene central bank means that the Slovene state as the owner of LB, whether it likes it or not, will have to pay Croatian depositors DM300 million from the budget. In the last negotiations between the Slovene and Croatian finance ministers in Otocec last February, the Slovene side for the first time showed a readiness to

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repay a portion of the debt to the depositors. A year-old statement by the Slovene Finance Minister has remained unchanged to this date: "Our basic precondition is that the issue of DM300 million be resolved with a bilateral agreement and that the depositors transfer their savings books to the Slovene banks." Parallel to this the Slovene negotiatiors in Otocec insisted that with the resolution of the DM300 million debt Croatia is also releasing the assets of Slovene companies in Croatia. This question is supposed to be solved with a special bilateral agreement on property and legal matters.

Forgotten Negotiations

The negotiations in Otocec last February were followed by another two meetings of prime ministers Drnovsek and Valentic, but the talks have been in deadlock until this very date. The only thing that changed in the last year was LB's transferring its operations from the Zagreb branch to Ljubljana and leaving the unsettled debt to Croatian depositors there. By this the Croatian side arranged that LB as a bank left the territory of the neighboring country after being present there since 1970 and prevented the Slovene side from settling the debt to depositors from the ongoing business of the branch in Croatia. In this way Slovene taxpayers will have to pay at least a portion of the debt to an amount of DM300 million or approximately 27 billion Slovene tolars to Croatian depositors. In other words, as a result of a past decision by LB, the Slovene budget will have to earmark at least seven factories of the same value as the successful food-processing factory Kolinska in Ljubljana on the day of its property transformation to pay off the depositors of the LB Zagreb branch.

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Federal

FRY: Conference on Succession Issue 'Unsuccessful'

LD2502172396 Belgrade TANJUG in English 1717 GMT 25 Feb 96

[FBIS Transcribed Text] Belgrade, Feb 25 (TANJUG) — Kosta Mihailovic, head of the Yugoslav delegation in the working group for succession, formed by the international conference on former Yugoslavia, has assessed that this conference has been an unsuccessful broker in the finding of acceptable solutions for succession.

Mihailovic said in an interview in Sunday's POLITIKA daily that a crisis at the talks on succession showed up as far back as 1993 to become very acute one year later when two draft agreements existed, one by the secretariat of the group for succession, the other by the Yugoslav delegation.

The Socialist Federal Republic of Yugoslavia (SFRY) began to disintegrate in mid-1991, when the Yugoslav republics of Slovenia and Croatia unilaterally proclaimed secessions.

Their example was followed by the Yugoslav republic of Macedonia, and later by Bosnia and Herzegovina (BIH).

The secretariat for succession communicated to the sides participating in the negotiations only the first part of the draft agreement, with provisions on citizenship, archives and pensions, said Mihailovic and recalled that a second part of this draft, pertaining to the state-owned property was not communicated although it was prepared.

The Yugoslav draft, he said, contained both parts and was communicated to the conference in February, 1995.

The Federal Republic of Yugoslavia (F.R.Y.) more than once made it known that continuity, for itself, had the political and legal meaning, that the F.R.Y. was renouncing the economic privileges to which it was entitled under international law as the heir country, but that it did expect the just division of property, said Mihailovic.

The secretariat of the group for succession made a fateful mistake when it failed to insist on redefining the notion of the state property as the subject of settlement, because this ownership category had existed in the SFRY only until 1953, since when the confusing term "socially-owned property" had marked the dominant form of ownership, he said.

"A redefinition was indispensable in order to exactly know what falls under the inventory of property. Since this redefinition was not made, the participating sides had to argue which property should be entered into the inventory," said Mihailovic.

Upon as subjective a basis as this, he observed, accords were impossible not only between the F.R.Y. and the four secessionist republics but also amongst the secessionist republics themselves.

The Yugoslav draft had it that "all what has been invested with joint resources must be the subject of settlement."

Mihailovic said that the biggest obstacle in the way to an agreement on succession is the secessionist republics' confidence that they would materialize their unjust demands thanks to the international community's friendliness.

"So long as the international community, also in the domain of succession, applies dual standards, offerring partial proposals behind which there stand the secessionist republics' waiting for these proposals to be imposed in one way or another on the F.R.Y., these republics will not be willing to accept reasonable objections and compromises," Mihailovic warned.

He pointed out that the Yugoslav delegation was prepared to consider other delegations' counter proposals which rely upon the principle of equity and upon the respect of the interests of all, but, unfortunately, the Yugoslav delegation has not yet received any such proposals.

FRY: French Envoy on Return to International Community

LD2502190496 Belgrade TANJUG in English 1831 GMT 25 Feb 96

[FBIS Transcribed Text] Kragujemac, Yugoslavia, Feb. 25 (TANJUG) — France's newly-appointed ambassador to the Federal Republic of Yugoslavia Gabriel Keller said Sunday that the raising of diplomatic relations between Paris and Belgrade to the ambassadorial level was an act of recognition of Yugoslavia's peace policy.

The two governments now face serious tasks, the most important of which is to create conditions for Yugoslavia's return to the international community, the French ambassador said in an interview with Kragujevac radio in central Serbia.

France is determined to stand at the helm of such political action in Europe and worldwide, Keller said.

'We think that your country must urgently return to the United Nations and that it must be allowed to join all international financial institutions, which is very important in view of the period after the sanctions and

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the economic difficulties burdening Yugoslavia as a result,' the French diplomat said.

Belgrade's return to the Organization for Security and Cooperation in Europe and the Council of Europe is inevitable, said Keller, adding that France maintained that Yugoslavia must be re-integrated into the international community because it had a role there.

FRY: Correspondent Speculates Kinkel May Visit Soon

AU2502162596 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 25 Feb 96

[Report by Slobodan Jankovic from Bonn — recorded]

[FBIS Translated Text] An answer to the question as to when Germany will normalize its relations with the FRY continues to reside in Bonn. The official sources have made no announcements. What their European partners the French have already done and what the British, the Spanish, and, as it has been rumored, also the Italians intend to do soon, the Germans are still avoiding.

According to the unofficial estimates that leaked to the journalistic circles in Bonn, a visit by German Foreign Minister Klaus Kinkel to Belgrade is no longer as distant as before. Three months after Dayton, the earlier obstacles to the normalization of bilateral relations are long gone. However, one can sense that the government in Bonn does not wish to relinquish easily the possibility of making its agreement to a complete normalization of relations with Belgrade conditional on the solution of some other issues, which are not connected with the original reasons for the break of cooperation.

Minister Kinkel will travel to Brussels tomorrow to attend the session of the European Union, where one of the topics will also be the situation in the Balkans. It pays to note that at the past session in Brussels, the European partners and Germany differed precisely on the issue of full restoration of links with Yugoslavia. The Germans at the time still considered it premature. We shall see over the next few days whether anything has changed in the meantime.

FRY: New, Moderate Politicians Seen in Serbia

AU2602112596 Belgrade POLITIKA in Serbo-Croatian 22 Feb 96 p 12

[Article by Radivoje Petrovic: "Achievements of New People"]

[FBIS Translated Text] What is the similarity between the [theater] director Ljubisa Ristic and university professors Milan Bozic and Branislav Ivkovic? The search for the answer to this question is not the consequence of a cynical political quiz. Nor is it an attempt to force political symmetry on the completely imbalanced multi-party scene in Serbia. It is an attempt to clarify an interesting political phenomena, which is, admittedly, still in its infanc—that political parties that are clearly opposed to each other may have significant similarities, which is welcome to reasonable voters but not to narrow-minded individuals. This is the impression created during the last several weeks regarding the public appearance of these three new personalities. They speak about politics and about their enemies, or rather, their competitors with a different, more tolerant vocabulary — never expressing the existing ostracism. In domestic political conditions in which it is normal for any political party to express hatred toward the other, the moderateness of Ristic, Bozic, and Ivkovic is opposed to the strongly rooted understanding of politics as "constantly hitting below the belt" — which is an elegant way to restore dignity to the profession of politics. If it can be said that some politicians in the past were gentlemen, why should we not get used to something like that today? The appearance of new people on the Serbian political scene is perhaps a sign that the principle of the negative personnel selection is slowly being abandoned. To gain a clearer picture of this, it will be necessary to wait and assess the effects they achieve, but their first moves have already shown that this kind of revitalization is welcome.

In the flood of pointed statements by ruling party officials, the statement by Branislav Ivkovic, leader of the Belgrade Socialists, was quite unusual: "Whoever is not against us is with us." With the logic of a constructor he called upon all able and honest people interested in their country to help with the proclaimed revitalization of Serbia. Opponents "on duty" can assess this kind of address as "yet more demagoguery of socialists," but it is a fact that the demonstrated political approach encourages a different political activity, which does not breed bad blood, which is of a attractive rather than repellant nature, and which is at least very useful for the party without causing damage to others.

A whole series of statements about political relations on the Serbian multi-party scene becoming tense, including emotive ones by the Serbian Renewal Movement [SPO], was very sefully countered by the statement by Milan Bozic some time ago: "It is our job to politically organize all those who want to persevere on our way to Europe." With the rationality of a mathematician, Bozic shows that it is possible to fight "for," without always and at all costs having to be "against." This understanding of politics is perhaps not fully expressed in the case of this opposition analyst, since he is not much present in the public, but this mathematics professor, who is temporarily working as a journalist,

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is a useful person to talk to, even on programs of the much criticized Radio-Television of Serbia.

A recent interview given by Ljubisa Ristic to a Belgrade political magazine, which POLITIKA readers also had an opportunity to read, rounds off the impression that a different kind of person has entered the Serbian political scene. Employing his intellectual supremacy and having no political baggage, Ristic, with the perfection of a theater director, created the impression that his party is "the movement for normal and unusual people, the movement of charm and style." Pointing out that "the Yugoslav United Left [JUL] would join any opposition party and anyone in the Socialist Party of Serbia [SPS] who works for the benefit of the country and its citizens," he has publicly shown very effectively how to oppose the developed anticommunism, which for many people is not only a pose but a necessary alibi for elimination of "ugly" moments from the past.

By mentioning just these three persons we run the risk of offending all the others who show a similar degree of tolerance in their political attitudes. It is becoming less important which parties these people belong to, both those we have mentioned and the others. It must be admitted, however, that their number is small. It is only natural that — when we speak about new people — we show reserve toward the political options they represent and claim the right not to agree with everything they say or do. But their attempts to create a different political ambiance in Serbia must be respected, since they protect it from negative passions and emotions. It is no coincidence that people like Ristic, Bozic, and Ivkovic have appeared now. They are completely new in politics, they have proved to be good in their professions, and they have not changed their political orientation. Do they herald the appearance of a new generation of Serbian politicians, who, by the force of their personalities, can motivate the public for a new kind of politics of tolerance, or are they merely exceptions who confirm the rule that the best way to engage in political dialogue in Serbia is with "the butcher's knife as the main argument?"

Serbia

Serbia: SPS Spokesman Outlines Congress Objectives

AU2502210896 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 25 Feb 96

[Interview with Ivica Dacic, spokesman of the Socialist Party of Serbia, by studio anchor, in Belgrade on 25 February — live]

[FBIS Translated Text] [Anchor] Mr. Dacic, good evening.

[Dacic] Good evening.

[Anchor] Tell us, how far have you gotten? Have all the preparations for the Third Congress of the Socialist Party of Serbia [SPS] been completed?

[Dacic] Well, the SPS Main Committee and the committee for the organization of the third SPS congress have more or less assessed positively the activities undertaken so far, in which, to recap, we carried out elections in the SPS municipal, town, and provincial branches and elected new party leaderships. More than 50 percent of the people who were elected into these leaderships are in these posts for the first time. It is important to say that we fully activated all our intellectual potentials in the examination and creation of the basic program document for the third SPS congress, namely, a document entitled "Serbia 2000 — A Step Into the New Millennium." We also studied concrete programs of the development of individual milieus, such as municipalities and districts. The final discussions about these congress documents and concrete development projects for these areas has been held throughout Serbia today and yesterday at the level of district SPS committees. The delegates at the third regular SPS congress have, therefore, passed their final, conclusive opinions on the proposed party documents and adopted concrete development plans for their regions on the eve of the new millennium.

The fundamental idea present throughout this congress document is the orientation and profiling of the SPS as a modern and simultaneously an original left-wing party, whose basic goals espouse a democratic, free, economically and spiritually rich, and socially just society, the equality of people, human dignity, solidarity, and the reign of peace among the peoples and countries. All this is contained in the document that will be passed at the third congress, entitled "Serbia 2000 — A Step Into the New Millennium."

[Anchor] What will the third SPS congress which will be held under the title "Serbia 2000 — A Step Into the New Millennium" bring?

[Dacic] The third congress will be an opportunity to politically sum up the period that we left behind and by clearly defining the vision of our future economic and cultural development and the vision of our country's integration into the international and European integrations confirm that SPS is a party capable of taking a step into the new millennium. On the other hand, this is not merely the task of our party but also the task that we must realize for the sake of all Serbian citizens. I mean, if SPS, as the ruling party, does not define such a vision of development it can hardly be expected that any other of the numerous opposition parties, whose basic policy

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boils down to extremism, primitivism, and backwardness of ideologies, would be able to take the country on the road of progress and development into the 21st century. On the contrary, their policies are threatening to push us several centuries backward.

The SPS is determined to enact the vision of development in its entirety and pursue it as the leading political entity. The result of all this should be Serbia as a modern European country with a democratic political system, an economically prosperous country with a market economy and equality of all forms of ownership coupled with the policy of the greatest possible employment, Serbia as a country with a high degree of social justice, a high level of the rights of ethnic minorities, a country that is fully integrated into the international community, and that will continue to represent a factor of stability in our region.

Definitely, in the implementation of this program we need the cooperation of all democratic and progressive forces, especially the forces of the left wing in our country.

This is also the opportunity to carry out some organizational and cadre rejuvenation. The criteria for changes should, by all means, be competence, ability, ideological and peaceful orientation, personal integrity, and political courage to venture into the political struggles that abound at the moment. Our task in all this is to activate all social strata, all age and sex groups, the entire intellectual potential that we have in our membership. It goes without any doubt that the program for the 21st century needs to be monitored by a leadership that will be competent and capable of realizing this program; therefore, by a well-organized party.

This is also the opportunity for the modernization of the party. As it is known, more than 1,800 delegates will take part in the work of the congress, that is, will decide at the third SPS congress. At present some 70 delegations of foreign parties from nearly 40 countries have confirmed their participation. It is important that the congress does not become watered down, as was perhaps the case so far, into a sort of political manifestation with long speeches, endless sessions, and insufficiently tangible conclusions, but be a congress that is organized with the use of the most up-to-date media technology and on the basis of a concrete program whose goal it is to set concrete political tasks which the party leadership is supposed to realize at the beginning of the new millennium.

[Anchor] Mr. Dacic, I wish you successful work of the congress that will, let me remind once again, be held on Saturday, 2 March. Thank you for being the guest in Dnevnik.

[Dacic] Thank you, too.

Serbia: Smederevo SPS Wants Milosevic Reelected

AU2502171196 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 25 Feb 96

[FBIS Translated Excerpt] An advance meeting of delegates to the third congress of the Socialists and members of the district committee of the Socialist Party of Serbia [SPS] was held in Smederevo today. Radmilo Bogdanovic, member of the commission for the preparation of the congress, and member of the executive committee of the SPS Main Committee, also took part in the work. It was proposed that Slobodan Milosevic be reelected SPS President. Prvoslav Vukovic reports:

[Begin recording] The participants in the meeting passed a document on the preparations for the third SPS congress, which among other things stresses that the SPS established itself as a party with the most transparent and attractive program that is also organizationally the strongest and the most influential in the country. With more than half a million members and the party network of more than 5,000 municipal committees, it has asserted itself as the most massive and organizationally the broadest political party in Serbia.

After the Dayton and Paris accords, 40,000 new members have joined the SPS, the majority of them young people. [passage omitted]

The candidates for the members of the SPS Main Committee were also put forward at the meeting. These are: Branislav Milanovic, president of the Gosa holding corporation; (?Ivo Sancic], president of Velika Plana municipality; Slavoljub Kojic, a farmer from Lunjevac village; and Dusko Matkovic, director general of Sartid 1913 ferrous industrial combine. [end recording]

Montenegro

Montenegro: Church Robbery Upsets Kotor Croats

AU2602080696 Paris AFP in English 0331 GMT 26 Feb 96

[Report by Bozo Milicic]

[FBIS Transcribed Text] Sutomore, Yugoslavia, Feb 26 (AFP) — For centuries the Catholics and the Orthodox in this seaside village have shared the tiny church of Saint Petka, but now the Catholic Croats are ill at ease because someone has taken away their altar and its ornaments.

The 6,000 villagers certainly have their suspicions about who perpetrated the disappearing act in December, but

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since then the authorities of Orthodox Montenegro in rump Yugoslavia have singularly failed to track the miscreants down.

Bishop Ivo Gugic of Kotor, under whose jurisdiction Sutomore falls, told AFP the Catholic community here was feeling insecure as a result of what he termed the "eviction" of the altar.

Adding to their worries was the inaction of the government he immediately wrote to two months ago, and the silence of the Orthodox church "which did not even condemn this ignoble deed", Gugic noted.

The bishop said he had personally asked the religious affairs ministry and the head of the Serbian Orthodox church in Montenegro, Metropolitan Amfilohije Radovic, to see that the altar was replaced.

Orthodox and Catholic villagers questioned by AFP feared another shared church, Saint Tekla, would suffer the same fate.

They said someone was clearly trying to put an end to the interethnic and inter-faith tolerance which exists in Montenegro in normal times and is symbolised by the coexistence in a single church of the Catholic altar and the Orthodox iconostasis, the decorated screen used in Eastern Orthodox Christianity to separate the sanctuary from the rest of the church.

"For the small Croat community, it means they no longer have their place in Sutomore," a Montenegrin opined.

Bishop Gugic said that land registers showed that the Serbian Orthodox church and the bishopric of Kotor co-owned Saint Petka on an equal footing.

An Orthodox church official here disagreed about the joint ownership and said that in any case Catholics no longer used Saint Petka for services since they had their own Saint Mary's church.

Orthodox clergy here say Saint Petka got its Catholic altar only 150 years ago when the region was part of the Austro-Hungarian empire.

But research by parish priest Nikola Majic showed that Catholics and Orthodox alike agreed "a number of centuries ago" to use the same church building.

A mere 25 square metres (not quite 270 square feet), it was restored after being damaged in an earthquake in 1979 and blessed by Catholic and Orthodox churchmen.

Orthodox villagers, Montenegrins or Serbs, in turn fear an act of revenge. The use of the same church by the two religious communities has become an issue in Montenegro since the appointment of Metropolitan Radovic, a zealous advocate of the Serbian cause who disputes the existence of a Montenegrin nation.

Last year, the Catholics had to hold Easter Mass outside Saint Petka because the new Orthodox parish priest, a Serb from Croatia named by Radovic, refused to give them the keys of the church.

Montenegro: Serbian Concessions at Rome Summit Viewed

AU2302211496 Podgorica MONITOR in Serbo-Croatian 23 Feb 96 p 5

[Commentary by Miodrag Vukmanovic: "The Hot Line"]

[FBIS Translated Text] After the Rome conference, the official representative of interests of all Serbs with the international community, Slobodan Milosevic, made some of his proteges happy again with a special gift. After Dayton, Milosevic congratulated the Serbs in Bosnia-Herzegovina on their republic, discreetly pointing out some of his merits as well. It was like a toast made by a devoted father at his daughter's wedding: fatherly wishes combined with discreet hints of the high costs, which could only be even higher if the marriage were not taken as an extremely serious matter. As something like that just began happening, after Rome. Milosevic, in his typical style of commercial pathos and affected optimism, announced the suspension of sanctions against the Serb Republic, as though that were a result of his diplomatic savvy, regardless of the fact that for the suspension of sanctions certain preconditions must be met and a precisely defined procedure followed, as in the case of FRY.

What is disputed between the Croats and the Bosniaks and how their disagreements will be settled can be seen from the very documents agreed on at the Rome conference. However, what concretely the Serb commitments are, as specified by the documents, is known to only a few. Therefore, it is being assumed that the commitments are much more unpleasant than one could possibly gather from the official version of the five statements and agreements. (Serb commitments are here understood as the super-constitutional authority of Milosevic's, recognized by the international community as an authentic factor.)

The problem of all problems for Milosevic and the Montenegrin authorities is currently the demands for the extradition of former Yugoslav and then Serbian officers to the International War Crimes Tribunal. The insistence of some influential international factors that the Dayton accords are to be fully implemented and the interest of the international community in precisely that

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criminal aspect of the peace plan deprive the accused, and those who are not quite sure if they will eventually escape justice, of any hope that The Hague Tribunal will dissolve in time, either for political, financial, or any other reasons. Therefore, in the opinion of the critics of The Hague Tribunal and those who are known as opponents of the so called "meddling in our business," one should patiently invent various excuses to dodge the extradition of the accused. One should not publicly refuse to cooperate with the Tribunal, but it should not be recognized, either. Rather, one should wait for some new circumstances to bring an end to this already somewhat boring, hollow story one day. Actually, Milosevic does not have much of a choice: He will either extradict Karadzic and Mladic to The Hague (others go without saying) or expose the country to even more severe pressure, including the reimposition of economic and other sorts of sanctions, that is, a new and full international isolation. One should not forget that the reimposition of sanctions would find Serbia and Montenegro in a relatively worse military, psychological and economic situation than before. A third option is also possible: Milosevic could make a firm promise to extradict the accused (perhaps he has already done that), but would put off the fulfillment of his promise, relying on his only genuine ally: somebody else's discord.

General Tolimir, Mladic's deputy, obviously concerned about the fate of his arrested colleague, Gen. Djukic, avoided meeting with the commanders of other Bosnian and guest armies aboard The George Washington aircraft carrier and thereby caused, reportedly, a dramatic situation. Few people find such a thing disturbing any longer. Nobody actually knows precisely in whose service the Bosnian Serb generals are or what they are engaged in, just like their leading gang in Pale. At the moment Milosevic is accompanied by someone called Kasagic, as this season's prime minister, while tomorrow he will be replaced with some other character, if the former accidentally shows weaknesses in his socialist orientation.

What was unimaginable until yesterday, is becoming reality, owing to the insolence of time and history. Twists are sometimes paralyzing. Take, for instance, the hotline between Milosevic and Izetbegovic, which was arranged in Rome with the obligation of holding meetings in person at least once a month. Apart from this, it seems we are getting closer and closer to the settlement of the political enigma called Bosnia. In a year or two, today's most vociferous advocators of its division will have converted into the most vociferous advocators of its independence. Only it will be hard to listen to them saying that they have been like that from the very beginning. They just did not understand each other properly. Such things do happen.

Kosovo

Kosovo: Human Rights Council Denounces Serb Violence

AU2502180996 Pristina KOSOVA DAILY REPORT in English 21 Feb 96

[FBIS Transcribed Text] As many as 462 Albanians in Kosova have been subjected to various forms of Serbian repressive practices during January 1996, the Prishtina-based [Pristina] Council for the Defense of Human Rights and Freedoms [KMLDNj] said in a monthly report issued this week. Three Albanians died last month: Islam Provoliu and Kadri Sinani in Serbian-run jails in Kosova, and Ali Shabanaj, who was stabbed to death by Serbian refugees in Decan. Meanwhile, six Albanians were wounded by Serb hand in January. According to the KMLDNJ, last month saw 221 arbitrary arrests, 61 Albanian households raided, harassment and maltreatment of 423 people under arms searches pretext, 174 persons tortured, 25 cases of infliction of body injuries, 477 cases of psychological harassment, 154 cases of summons to so-called "informative conversations" (mainly activists), nine Albanians convicted under criminal charges and four others for petty offenses by the Serbian regime. Amongst those maltreated were five women, two children, and 32 activists of Albanian political parties and other associations, the KMLDNj said.

"While the Serbian police, under the pretext of arms searches, raids Albanian houses, arrests and maltreats them, Serb civilians, armed to teeth, can freely carry and use them in public places, kill and wound innocent people, with no fear whatsoever they will be brought to justice", the KMLDNj said, adding the Serbian regime condones this so as to instill fear and insecurity amongst the Albanians. Such a behavior of Serbs, especially Serb settlers here, which turns to staged interethnic incidents, is then used to routinely lay the blame with the Albanians, the Prishtina-based human rights organization remarks. The 30 January attack of Serb refugees against the Shabanaj family in Decan was an example of Serb police's condoning of such acts, according to the KMLDNj. "While the Serb refugees/settlers were slaughtering members of the Shabanaj family, the police happened to be on the spot, but did nothing to prevent the crime," the KMLDNj states. At a time the government of the self-proclaimed Yugoslavia (Serbia and Montenegro) is drafting an amnesty-for-all bill, which should ensure pardoning for all those who have deserted the "Yugoslav" Army or evaded being

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drafted in the military in the past few years, the Kosova Albanian youth is being targeted by the Serbian regime with a view to forcefully induct them. The KMLDNj gives this illustration to the pattern of Serbian regime behavior towards the Albanians: "On 12 January 1996, two Serb policemen arrested Nazmi Ferki Preshtreshi (24) at his home at Frasher i Vogel in Mitrovice [Mitrovica], and handed him over to the Serbian military barracks in Mitrovice. An army lieutenant questioned him and demanded DM [German marks] 10,000 if he wanted to be spared, namely not sent to the military court in Nis (Serbia). He could not afford to pay the amount of money, and therefore was sent to Nis. An army officer and two soldiers plunged him (wearing his shirt and underwear only) in cold water in a cold room, where he was left till the following day in the morning. After having spent a night soaked in the cold self-confinement, he (Nazmi) was brought before the military court in Nis, which ruled his release, for he had served out the outstanding 25 days last December at Batajnica (Serbian military barracks near Belgrade, KIC)."

The KMLDNj denounces Serbian regime's crackdown on the freedom of movement of Kosova Albanians as well as the routine practices of plundering and looting of Albanian businesses and large quantities of money and goods. The Prishtina-based human rights organization says it has registered five cases of Albanians having been evicted from their apartments in January. Serb families were settled in those apartments instead, the KMLDNj says, and adds: "On 10 January, Vojo Kalecic, a Serb refugee from Croatia, forcibly occupied the apartment of Behram Rrahmani at 'Ulpiana' D-2 neighborhood in Prishtina. The Albanian's family has been living in the apartment for 14 years."

Vojvodina

Vojvodina: SPS Official on Interethnic Relations

AU2502174396 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 24 Feb 96

[Report by Brana Pjetlovic on a rally by the Socialist Party of Serbia, in Subotica on 24 February — recorded]

[FBIS Translated Excerpt] [Pjetlovic] Out of 45 municipal organizations of the Socialist Party of Serbia [SPS] in Vojvodina, approximately 60 percent of them sport new leaderships. Thus consolidated in the cadre and organizational sense, the party offers guarantees that the proclaimed goals and tasks will be realized. These are the words with which Bosko Perosevic, SPS vice president and president of the Vojvodina executive council, greeted the participants of the meeting.

Speaking about the priorities, Perosevic emphasized:

[Perosevic] Your first and most important task is that you preserve and additionally nurture our biggest asset here, namely, the good interethnic relations. I believe that I do not need to waste words on explaining what this means. We have seen what poor interethnic relations means. We saw it in Bosnia, that is, on the territory of the earlier Yugoslavia.

What are good interethnic relations? Well, that is what we have here, in Vojvodina. [passage omitted]

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